Supreme Court, U.S.
FILED

No. 01-011194

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IN THE

Supreme Court of the United States

FRANK SMALDONE,

Petitioner,

v.

DANIEL SENKOWSKI,
Superintendent, Clinton Correctional Facility,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether reliance by Petitioner's attorney upon district court opinions within the Second Circuit holding that the one-year limitations period of the Anti-Terrorism and Effective Death Penalty Act was re-set rather than merely tolled upon the proper filing of state post-conviction proceedings, a holding not held erroneous by the Second Circuit until almost two years after the attorney's reliance on those opinions, required the limitations period to be equitably tolled.

2. Whether the Second Circuit improperly declined to consider whether Zarvela v Artuz, 254 F.3d 374 (2d Cir. 2001), should be applied retroactively to Petitioner's case.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit in this case.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Second Circuit is reported at 273 F. 3d 133(2d Cir. 2001) (App., infra, pp. 1a-11a). The opinion of the District Court is published online at 2000 WL 1134391 (E.D.N.Y. Aug. 3, 2000)(App., infra, pp.12a-24a).

STATEMENT OF JURISDICTION

The judgment of the United States Court of Appeals for the Second Circuit was entered on November 16, 2001. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Title 28 U.S.C. §2244(d) provides in relevant part:

> (1) A 1-year period of limitation shall apply to an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court. The limitation period shall run from the latest of
>
> (A) the date on which the judgment became final by the conclusion of direct review or the expiration of the time for seeking such review;

xxxx

(2) The time during which a properly filed application for State post-conviction or other collateral review with respect to the pertinent judgment or claim is pending shall not be counted toward any period of limitation under this subsection.

STATEMENT OF THE CASE

Petitioner, Frank Smaldone, was convicted on April 21, 1992 of murder in the second degree with depraved indifference to human life and of arson in the third degree. He was acquitted of murder in the second degree with intent to cause the death of another person. He was sentenced to 25 years to life on the second degree murder charge and 5 to 15 years on the arson charge, the sentences to run consecutively. His conviction was affirmed by the Appellate Division, Second Department. 213 A.D.2d 685, 624 N.Y.S.2d 200 (1995). The New York State Court of Appeals denied leave to appeal. 86 N.Y.2d 784, 631 N.Y.S.2d 621 (1995).

On January 3, 1996, Petitioner and his family retained counsel to represent him in State post-conviction proceedings. It was agreed that counsel would file a motion under §440.10 of the New York Criminal Procedure Law ("§440 motion") to vacate Petitioner's conviction on the ground of ineffective assistance of trial counsel (JA. 56)[1]. The §440 motion was filed on November 29, 1996 (JA. 57,77).

During the period preceding the filing, Petitioner learned that the Antiterrorism and Effective Death Penalty Act ("AEDPA") contained a provision limiting the time within

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[1]"JA.__" refers to the Joint Appendix filed by the parties in the Second Circuit.

which a federal habeas corpus petition could be filed, and told his stepfather, Kevin Schlosser, about the provision (JA. 77).

Petitioner mentioned the statute of limitations provision to counsel frequently before the §440 motion was filed and counsel's response was always the same: "It does not begin to run until all state post-conviction proceedings are exhausted." Petitioner, being dependent on counsel's legal knowledge, accepted what he said (JA. 57-58).

Mr. Schlosser spoke with counsel every week to discuss the background of the case and the issues to be raised in the §440 motion (JA. 77). He told Petitioner that he too frequently asked counsel about the AEDPA statute of limitations and that counsel invariably told him there was nothing to worry about since the statute of limitations did not start to run until completion of all State post-conviction proceedings (JA. 60).

As shown by counsel's letter of September 3, 1997 to Petitioner, his belief that the statute of limitations did not begin to run until all State post-conviction proceedings were completed rested upon that exact holding in Valentine v Senkowski, 966 F. Supp. 239 (S.D.N.Y. 1997)(JA. 60):

> Please find enclosed herewith is the opinion by Federal Judge Brieaunt [sic], of the Southern District Federal Court, construing the habeas statute in the context of a post-judgment "440" motion in which the 2254 proceeding was commenced within one year of the denial of his motion for leave to appeal the denial of his 440 motion - a situation which would possibly parallel your situation, should the Appellate Division deny the pending motion.

The enclosed opinion was Valentine v Senkowski, in which Judge Brieant held (966 F.Supp.at 241):

> It is clear, both from the plain meaning of the statute and the legislative history of The Act which imposed the new standard (the Antiterrorism and Effective Death Penalty Act of 1966) that the 1-year period of limitations does not begin to run until after direct review has been completed and state post-conviction review has been exhausted.

In response to one of Petitioner's questions about how the statute of limitations affected his case, counsel's letter to Petitioner dated April 11, 1997 said (JA. 58):

> In addition, I note a developing body of law relating to an April 24th date for filing habeas petitions. I have picked up the 2254 form from the Clerk's Office in the Brooklyn Federal Court. If this cutoff date is "real," it may well be that you should prepare and file it, alleging ineffective assistance of trial and appellate counsel, as well as challenging on constitutional (Jackson v Virginia) grounds the murder conviction. I enclose a copy for your use.

Petitioner promptly filed a pro se federal habeas petition in the United States District Court for the Eastern District of New York, which was assigned to Judge Sterling Johnson, Jr. Judge Johnson denied the petition on September 14, 1997 on the ground that Petitioner had not exhausted his state remedies. A copy of the opinion is in the Appendix, infra,

pp. 25a-27a. Petitioner told counsel of Judge Johnson's decision and sent him a copy of the opinion (JA. 59).

The CPL §440 motion was denied on June 27, 1997 (JA. 59). The decision was then made that, if the motion for leave to appeal were denied, counsel would file an application in the Appellate Division, Second Department, for a writ of error coram nobis to challenge Petitioner's conviction on the ground of ineffective assistance of appellate counsel (JA. 59, 77-78)[2].

The motion for leave to appeal was timely filed and it was denied on November 17, 1997 (JA. 60).

Shortly afterwards, counsel told Petitioner on the phone that he was working on the coram nobis application. During that conversation, Petitioner again asked counsel about the AEDPA statute of limitations and how it would affect his habeas corpus petition. Counsel stated that he continued to believe that the statute did not begin to run until all state post-conviction proceedings were completed (JA. 61).

Counsel filed the coram nobis application raising the issue of ineffective assistance of appellate counsel, on June 18, 1998. During the seven month period between denial of the motion to appeal dismissal of the §440 motion and the filing of the coram nobis application, both Petitioner and his stepfather persistently asked counsel about the delay in filing. Counsel kept telling them that he was working on it but that there were some delays to be expected(JA. 61, 78).

Counsel visited Petitioner at prison on February 16, 1999. They discussed the future of Petitioner's case and what had to be done if the Appellate Division denied the application for the coram nobis writ. Petitioner again expressed

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[2]A writ of error coram nobis is the exclusive vehicle in New York State to challenge ineffectiveness of appellate counsel.

his concern about the AEDPA statute of limitations. Counsel said he still believed that the statute did not begin to run until the completion of all State post-conviction proceedings (JA. 62).

The Second Department denied the coram nobis application on February 16, 1999(JA. 62). A motion for leave to appeal to the New York Court of Appeals was denied on March 24, 1999 (JA. 38).[3]

Petitioner retained undersigned counsel on May 10, 1999 to represent him on his federal habeas petition, which was filed on June 11, 1999 (JA. 63).

Respondent moved to dismiss the petition as untimely under the AEDPA. Petitioner opposed the motion on two grounds: that, in light of counsel's reliance on Valentine v Senkowski, the petition should be deemed timely under the equitable tolling doctrine; and that the petition was timely filed if the 90-day periods within which Petitioner might have filed petitions for writs of certiorari to this Court from denial of his two state post-conviction proceedings were included within the AEDPA tolling period.[4]

The District Court rejected both arguments. As to the equitable tolling argument, it held that "there was no cognizable impediment preventing him from filing his petition on time" (App., infra, p.21a). It did not analyze the consequences of the existence of divergent lines of authority. As to the certiorari issue, it held that "§2244(d)(2) tolls the limitations period only during the time in which a state-court motion for collateral review is 'pending'" (App., infra, p.20a).

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[3]Petitioner did not file petitions for writs of certiorari to this Court after final state denial of his §440 motion or his application for a writ of error coram nobis.

[4]Petitioner is not pursuing the latter issue in this petition.

The District Court issued a certificate of appealability as to the equitable tolling issue. The Second Circuit subsequently issued a certificate of appealability as to the certiorari issue.

The Second Circuit affirmed. As to the equitable tolling argument, it held that "attorney error [is] inadequate to create the 'extraordinary' circumstances equitable tolling requires" (App., infra, p.9a). The Court also held that "[w]e have already rejected another plea for equitable tolling based on Valentine v Senkowski, the very case on which Petitioner asserts his attorney justifiably relied. See Smith [v McGinnis, 208 F.3d 13] at 16-17 [2d Cir. 2000]" (Ibid). The Court did not mention the fact that Smith was decided almost two years after counsel's reliance on Valentine.

The Underlying Claims Are Substantial

The merits of the underlying claims of ineffective assistance of trial and appellate counsel bear on the application of the equitable tolling doctrine.

The underlying claims of ineffective assistance of trial counsel are the following. First, Petitioner not having testified, the judge, with respect to the issue of Petitioner's intention to commit the homicide, charged the jury (TT 444-445):[5]

> Indeed that's a safe method by which the intent or knowledge may be tested of this defendant since the defendant, his intent or knowledge is in question in this trial. He has an absolute right to remain silent for if he speaks, he may not speak the truth (emphasis added).

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[5]"TT _ " refers to the transcript of Petitioner's trial in Supreme Court, Queens County.

Trial counsel did not object to this clearly unconstitutional and prejudicial charge. See Griffin v California, 380 U.S. 609 (1965). His failure to do so is a compelling example of constitutional ineffectiveness.

Second, trial counsel did not ask the court to charge the jury that it could consider whether Petitioner was guilty of the lesser included offenses of manslaughter or negligent homicide. In giving the homicide charge, the court charged only with respect to the two counts in the indictment charging murder in the second degree. Trial counsel did not take any exception to the charge (JA. 13).

Third, ballistic evidence was critical because Petitioner's defense was that the shooting was accidental, and the gun's trigger pressure was central to that issue. At trial, a ballistics expert for the People testified that between three and seven pounds of pressure were required to pull the trigger on the type of gun that caused the victim's death[6], which implied, as the prosecutor argued in his summation, that the gun had not been discharged accidentally, but rather that Petitioner intentionally pulled the trigger, which required a significant amount of pressure in order to discharge the bullet. However, trial counsel had never consulted a ballistics expert for an independent opinion as to the gun's trigger pressure, and therefore totally failed in his responsibility to learn whether the testimony of the People's expert could be challenged (JA. 14). In fact, an affidavit by a ballistics expert filed in support of Petitioner's §440 motion did challenge the testimony of the People's expert.

There were other failures by trial counsel that added to his constitutional ineffectiveness, but those specified above are sufficient in themselves to establish that, if Petitioner

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[6]The gun itself was never found.

were allowed a federal habeas hearing, there is a significant probability that the writ would be granted.

The underlying claims of ineffective assistance of appellate counsel are the following. Appellate counsel and trial counsel were members of the same law firm. Although Petitioner and his family strongly urged appellate counsel to raise the issue of ineffective assistance of trial counsel based upon the errors described above, he did not do so (JA. 19, 20, 25-26). There is every reason to believe, and a hearing would establish, that appellate counsel failed to raise those issues because it would embarrass his law partner and his law firm. There was therefore an obvious conflict of interest between his duty to Petitioner and his relationship with his law partner. There is further evidence of appellate counsel's constitutional ineffectiveness that would be shown in a habeas hearing, but the gross conflict of interest described above, is sufficient to establish on its own that appellate counsel was constitutionally ineffective.

REASONS FOR GRANTING THE WRIT

Certiorari should be granted because the Second Circuit has decided an important question of federal law that has not been, but should be, settled by this Court. Furthermore, there is a conflict in the Circuits as to how the doctrine of equitable tolling is to be construed and applied.

1. Equitable Tolling. Although Petitioner has compelling claims that both his trial and appellate counsel were constitutionally ineffective, he has been deprived of the right to federal habeas review by too narrow an interpretation of the doctrine of equitable tolling. Specifically, the court below refused to apply the doctrine even though Petitioner's late filing of his habeas petition was due to his attorney's reliance on case

law that was held to be erroneous by the Second Circuit only well after the relevant state court post-conviction proceedings were filed. It is fundamentally unfair to deprive Petitioner of habeas review where his attorney relied on unreversed case law in deciding how the AEDPA statute of limitations was to be interpreted.

The sequence of relevant events is critical. The record clearly shows that Petitioner diligently pursued his post-conviction remedies. Post-conviction counsel was retained in January 1996, a few months after completion of direct review of Petitioner's conviction in the State courts in July 1995. The AEDPA became effective on April 24, 1996. Counsel filed a §440 motion to vacate Petitioner's conviction on the ground of constitutionally ineffective assistance of trial counsel on November 29, 1996, well within the AEDPA's one-year statute of limitations. That motion was finally denied on appeal on November 17, 1997.

In the meantime, on June 10, 1997, Judge Brieant handed down his decision in Valentine v Senkowski, supra, which held that "the one-year period of limitations [of the AEDPA] does not begin to run until after direct review has been completed and state post-conviction review has been exhausted" (966 F.Supp. at 241).

Relying on that holding, counsel filed an application for a writ of error coram nobis on the ground of constitutionally ineffective assistance of appellate counsel on June 18, 1998[7]. At that time, the Valentine holding was still good law, and the Second Circuit did not reject its construction

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[7]During that period, Petitioner and his family diligently raised with counsel the applicability of the AEDPA statute limitations, and they were assured again that it did not begin to run until completion of state post-conviction proceedings.

of the tolling provision until March 13, 2000 in Smith v McGinnis, 208 F.3d. 13 (2d. Cir. 2000), almost two years after Petitioner's coram nobis application was filed.

During the period from November 1996, when Petitioner's §440 motion was filed, to June 1998, when his coram nobis was filed, there were divergent district court opinions within the Circuit as to whether the AEDPA limitations provision was tolled or re-set by the filing of State post-conviction proceedings. Valentine itself was cited with approval in Hill v Keane, 984 F.Supp. 157,159 (E.D.N.Y. 1977), and Thompson v Herbert, 1998 U.S. Dist. Lexis 6547 (E.D.N.Y. March 16, 1998). It was not until Seow v Artuz, 1998 WL 456416 (E.D.N.Y. June 10, 1998), decided eight days before counsel filed Petitioner's coram nobis application, that any district court within the Second Circuit explicitly rejected Judge Brieant's construction of the AEDPA tolling period in Valentine. Other district courts decisions within the Second Circuit during 1998, without referring to Valentine, read the AEDPA tolling provision as merely tolling the one-year limitations period during the pendency of properly filed state post-conviction proceedings and resuming upon final denial of such proceedings. See cases collected in Cromwell v Keane, 33 F.Supp.2d 282, 285-286 (S.D.N.Y. 1999). During that period, however, there was no dispositive decision by the Second Circuit on the issue.

Notwithstanding Petitioner's diligence and his counsel's reliance on unreversed case law, the Second Circuit justified its result by stating that "we have already rejected another plea for equitable tolling based on Valentine v Senkowski, the very case on which petitioner asserts his attorney justifiably relied. See Smith, 208 F.3d at 16-7" (App., infra, p.9a). The Court ignored the fact that Smith came down almost two years after petitioner's attorney's reliance on

Valentine, and thus failed to consider the question whether counsel's reliance was justified in the circumstances. If it had, it could not have dismissed counsel's reliance on Valentine as "attorney error", a "mistake" or "attorney negligence" (Ibid). None of those terms apply because it is not a "mistake", or an "error", or "negligent' for a practicing lawyer to rely on unreversed lower court case law. To the contrary, counsel's reliance on Valentine was reasonable in every sense of the word.

The failure to apply the equitable tolling doctrine in these circumstances, threatens the ability of practicing lawyers to represent their clients effectively. The use of precedent is the foundation on which the practice of law rests. It is therefore inequitable to penalize a litigant - particularly where constitutional rights are at stake - because his lawyer reasonably relied on published precedent that was later reversed. It is a paradox that, although Petitioner has been deprived of the opportunity of federal habeas review of compelling constitutional issues in his case, his lawyer, quite properly, is not subject to being penalized because it later turned out that his reliance on published unreversed case law was mistaken. See MCEG v Phillips Nizer, 646 N.Y.S.2d 778,780 (Sup.Ct. N.Y.Cty 1996) ("...[A]n attorney is not held to the rule of infallibility and is not liable for an honest mistake of judgment where the proper course is open to reasonable doubt"); DuPont v Brady, 646 F.Supp. 1067, 1076 (S.D.N.Y. 1986)("where a lawyer errs on a question not elementary or conclusively settled by authority, that error is one of judgment for which he is not liable.") Neither do lower court judges whose decisions are later declared on appeal to be erroneous, suffer any consequences. Thus, although both Judge Brieant and Petitioner's lawyer were found in retrospect to have misjudged the law, it is Petitioner who pays the price. Equity should

protect Petitioner against such an unfair result.

Certiorari should therefore be granted so that the Court can decide whether the equitable tolling doctrine must be applied in these circumstances.

Certiorari should also be granted because there is a conflict in the Circuits as to the construction and application of the equitable tolling doctrine in AEDPA cases.

Irwin v Dept of Veterans Affairs, 498 U.S. 89,96 (1990), held that "the principles of equitable tolling ... do not extend to what is best a garden variety claim of excusable neglect." It made no reference to the need for "extraordinary circumstances" as a condition for application of the equitable tolling doctrine. Bowen v City of New York, 476 U.S. 467, 482 (1986), held that the equitable tolling doctrine would be applied when "it would be unfair" not to. Ignoring those parameters, the Second Circuit declined to apply the doctrine except in "extraordinary circumstances" (App., infra, p.9a). Fairness does not enter into its calculation. On the other hand, fairness is an explicit part of the equitable tolling calculation in the Third Circuit.

In Fahy v Horn, 240 F.3d 239 (3d. Cir. 2001), a capital case, the one-year AEDPA statute of limitations had expired prior to the filing of defendant's federal habeas. It had expired because the time during which defendant's state post-conviction proceeding was pending was held not to have been a "properly filed" petition and the time during which it was pending was therefore to be excluded from the tolling period. However, the Third Circuit equitably tolled the statute (240 F.3d at 245):

> In a capital case such as this, the consequences of error are terminal and we therefore pay particular attention to whether principles of

> "equity would make the rigid application of a limitation period unfair" and whether the petitioner has "exercised reasonable diligence in investigating and bringing [the] claims."

The Court added that "the applicable law is so ... unsettled, we must allow less than 'extraordinary' circumstances to trigger equitable tolling..." Noting that the law involved was "inhibitively opaque", the Court said that "If we could not predict how the Pennsylvania court would rule on this matter, then surely we should not demand such foresight from the petitioner" (Ibid). Based on those considerations, the court equitably tolled the statute.

Except for the fact that the case at bar is not a capital case[8], the cases are virtually identical although the results are completely different. At the time the decisions were being made here by counsel, the law regarding the construction of the AEDPA was "unsettled". There were decisions supporting counsel's view and decisions taking the position ultimately adopted by the Second Circuit. But in the period 1996-1998, the cases went both ways, and the outcome was not predictable. Thus, the opinions of the Second and Third Circuits are in direct conflict, and the Court should grant certiorari to resolve the conflict as to the circumstances that require application of the equitable tolling doctrine in AEDPA cases.

2. The Zarvela issue. In Zarvela v Artuz, 254 F.3d 374 (2d Cir. 2001), the Second Circuit held that when

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[8]Though not capital, its consequences for Petitioner are nonetheless profound. At the time of his arrest in November 1991, Petitioner was 19 years old (JA. 10). Upon conviction, he was sentenced to 30 years to life and he may spend his entire life in prison.

a petition for a writ of habeas corpus contains both exhausted and unexhausted claims, the appropriate response by the district courts is to dismiss only the unexhausted claims and to stay proceedings as to the exhausted claims. The stay is to be conditioned on petitioner's initiation of exhaustion in the State courts within a limited period, "normally" a period of 30 days and a return to the district court after exhaustion is completed, also "normally" a period of thirty days. 254 F.3d at 381.

Since Petitioner had filed a timely pro se petition for a writ of habeas corpus in April 1997, which was dismissed in its entirety in September 1997 without distinguishing between exhausted and unexhausted claims, Petitioner moved in the Second Circuit prior to argument of this case for leave to file a supplemental brief to argue for retroactive application of Zarvela to his case. The motion was granted, supplemental briefs were filed by the parties, and the issue was addressed at oral argument.

In its opinion, the Second Circuit declined to consider the Zarvela issue, holding that it lacked jurisdiction on the ground that the claim "is not included under the certificate of appealability as amended" and "[a] supplemental brief motion cannot, therefore, place the issue properly before this Court" (App., infra, p.11a).

Petitioner's motion to file a supplemental brief to consider the Zarvela issue was the functional equivalent of a motion for a certificate of appealability and should have been treated as such. The disposition by the Second Circuit further denied Petitioner the right to have his substantial constitutional claims decided on the merits. Certiorari should therefore be granted so that this Court can decide whether the Second Circuit should have entertained the Zarvela claim on its merits.

CONCLUSION

For the reasons stated above, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT DATED AND DECIDED NOVEMBER 16, 2001

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

August Term, 2001

(Argued: October 26, 2001) (Decided: NOV 16, 2001)

Docket No. 00-2519

FRANK SMALDONE,

Petitioner-Appellant,

v.

DANIEL SENKOWSKI, Superintendant, Clinton Correctional Facility,

Respondent-Appellee.

BEFORE: FEINBERG, MCLAUGHLIN, and F.I. PARKER, *Circuit Judges.*

Petitioner-Appellant Frank Smaldone appeals from the denial of his petition for a writ of habeas corpus on August 3, 2000 in the United States District Court for the Eastern District of New York (John Gleeson, *judge*). The Court

reviews Smaldone's appeal under a certificate of appealability granted by the district court on September 20, 2000 and expanded by this Court on March 23, 2001.

AFFIRMED.

* * *

PER CURIAM:

Petitioner-Appellant Frank Smaldone appeals from the denial of his petition for a writ of habeas corpus on August 3, 2000 in the United States District Court for the Eastern District of New York (John Gleeson, *Judge*), under a certificate of appealability granted by the district court on September 20, 2000 and expanded by this Court on March 23, 2001. For substantially the same reasons set forth by the district court, we AFFIRM.

Smaldone was convicted for murder in the second degree and arson in the third degree by a New York state court in 1992. *Smaldone v. Senkowski*, No. 99-CV-3318 JG, 2000 WL 1134391, at *1 (E.D.N.Y. Aug. 3, 2000). After his conviction was affirmed on direct appeal, Smaldone began to pursue collateral relief in the state courts. *Id.* at *1. While his motion under New York Criminal Procedure Law § 440 was pending in the state court system, Smaldone filed pro se for federal habeas relief. The United States District Court for the Eastern District of New York dismissed his petition without prejudice for lack of exhaustion on September 19, 1997. *Id.* The court included in its dismissal order a warning about the one-year statute of limitations for filing of federal habeas petitions

under the 1996 Anti-Terrorism and Effective Death Penalty Act ("AEDPA"). After pursuing the § 440 motion and a coram nobis petition in the state courts, Smaldone attempted to return to the federal system on June 11, 1999. *Id.* at *3. The district court dismissed the petition as untimely under the AEDPA's implied one-year grace period, and found no basis for "equitable tolling" of the limitation period. *Id.* at *5-*6.

This Court has jurisdiction to consider Smaldone's appeal under a certificate of appealability granted by the district court on the issue of "whether [Smaldone's attorney's] mistaken belief that AEDPA's one-year limitation period is re-set (rather than merely tolled) by pending state petitions for post-conviction review should result in equitable tolling of the limitation period," and amended by this Court to include a second issue, "whether the ninety-day period available for seeking a writ of certiorari from the United States Supreme Court upon exhausting state appellate procedures governing state post-conviction or other collateral review, is included in the time tolled under 28 U.S.C. § 2244(d)(2)." *See* 28 U.S.C. § 2253. Although in answering the certified questions we affirm the district court's denial of Smaldone's petition for substantially the same reasons set forth by the district court, we write a brief opinion to express our intent to join our sister circuits, though on a somewhat narrower basis, in rejecting the inclusion of the ninety-day period during which a petitioner could have filed a certiorari petition after the denial of his state post-conviction petition under the tolling provision of 28 U.S.C. § 2244(d)(2).

Appendix A

A. Tolling for Supreme Court Review

The AEDPA imposed for the first time a one-year statute of limitations for the filing of federal habeas petitions. 28 U.S.C. § 2244(d)(1).[1] To support the federal interest in comity and finality of state court judgments, *see Duncan v. Walker*, 121 S.Ct. 2120, 2128 (2001), AEDPA added to this

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1. Specifically, the AEDPA provides in § 2244(d)(1):

> A 1-year period of limitation shall apply to an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court. The limitation period shall run from the latest of —
>
> (A) the date on which the judgment became final by the conclusion of direct review or the expiration of the time for seeking such review;
>
> (B) the date on which the impediment to filing an application created by State action in violation of the Constitution or laws of the United States is removed, if the applicant was prevented from filing by such State action;
>
> (C) the date on which the constitutional right asserted was initially recognized by the Supreme Court, if the right has been newly recognized by the Supreme Court and made retroactively applicable to cases on collateral review; or
>
> (D) the date on which the factual predicate of the claim or claims presented could have been discovered through the exercise of due diligence.

28 U.S.C. § 2244(d)(1).

time constraint a tolling provision allowing courts to suspend the progress of the statute of limitations for "[t]he time during which a properly filed application for State post-conviction or other collateral review with respect to the pertinent judgment or claim is pending." 28 U.S.C. § 2244(d)(2). Because petitioner raises a question of law as to whether this provision may include the ninety-day period for pursuit of certiorari on state collateral motions, we review the district court's dismissal of Smaldone's habeas petition de novo. *See Williams v. Artuz*, 237 F.3d 147, 150 (2d Cir. 2001); *Sandvik v. United States*, 177 F.3d 1269, 1271 (11th Cir. 1999).

Other circuits examining this issue have found, with some variation in the breadth of their holdings, that the statute of limitations should not toll during the period for seeking certiorari. *See Stokes v. Philadelphia*, 247 F.3d 539, 542 (3d Cir. 2001); *Crawley v. Catoe*, 257 F.3d 395, 399-401 (4th Cir. 2001); *Snow v. Ault*, 238 F.3d 1033, 1035 (8th Cir. 2001); *Isham v. Randle*, 226 F.3d 691, 695 (6th Cir. 2000); *Gutierrez v. Schomig*, 233 F.3d 490, 491-92 (7th Cir. 2000) (limiting the holding to prevent tolling during the ninety-day period in cases in which a petition is not actually filed); *Coates v. Byrd*, 211 F.3d 1225, 1227 (11th Cir. 2000); *Ott v. Johnson*, 192 F.3d 510, 513 (5th Cir. 1999); *Rhine v. Boone*, 182 F.3d 1153, 1155 (10th Cir. 1999).

To determine whether to join our sister circuits in rejecting tolling for the certiorari period, we will consider the various reasons for their decisions. "We begin, as always, with the language of the statute." *Duncan*, 121 S.Ct. at 2124.

As several other circuits have noted, the timing-related language in § 2244(d)(2) differs from that in § 2244(d)(1)(A). Specifically, § 2244(d)(1)(A), describing the point at which the statute of limitations should begin to run, notes that the key date is "the date on which the judgment became final by the conclusion of direct review *or the expiration of the time for seeking such review.*" 28 U.S.C. § 2244(d)(1)(A) (emphasis added). Notably, § 2244(d)(2) does not mention a time period for the pursuit of additional review. 28 U.S.C. § 2244(d)(2). As the Supreme Court said in *Duncan*, "[i]t is well settled that 'where Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion.' " *Duncan*, 121 S. Ct. at 2125 (quoting *Bates v. United States*, 522 U.S. 23, 29-30 (1997)). Thus, the Third, Fourth, Fifth, Sixth, Eighth, Tenth and Eleventh Circuits have concluded that this omission demonstrates Congress's intent not to include a period for certiorari petitioning under the tolling provision. *See Stokes*, 247 F.3d at 542; *Crawley*, 257 F.3d at 400; *Snow*, 238 F.3d at 1036; *Isham*, 226 F.3d at 695; *Coates*, 211 F.3d at 1227; *Ott*, 192 F.3d at 513; *Rhine*, 182 F.3d at 1155.

Several circuits have also stressed the importance of the modification of "post-conviction or other collateral review" by the word "State." While the Supreme Court held only that the inclusion of "State" in the § 2244(d)(2) phrase prevented tolling of the limitations period during consideration of federal habeas petitions, these circuits have further concluded that the restriction to "State" post-collateral and other forms of review excludes tolling during petition for Supreme Court

review of state post-conviction claims. *See Stokes*, 247 F.3d at 542; *Crawley*, 257 F.3d at 400; *Isham*, 226 F.3d at 695; *Rhine*, 182 F.3d at 1156. In the words of the Tenth Circuit, "[a] petition for writ of certiorari to the United States Supreme Court is simply not an application for state review of any kind; it is neither an application for state post-conviction review nor an application for other state collateral review." *Rhine*, 182 F.3d at 1156.

Several circuits further note that by excluding the time period for certiorari petitions after post-conviction proceedings from the tolling provision, Congress mirrored the exhaustion requirements for submission of a federal habeas claim. *See Snow*, 238 F.3d at 1036; *Isham*, 226 F.3d at 695; *Ott*, 192 F.3d at 513. Before a federal district court may consider a petitioner's habeas claims, the petitioner must exhaust in the state courts any constitutional claims he wishes to raise in the federal forum. *See Zarvela v. Artuz*, 254 F.3d 374, 378 (2d Cir. 2001). This exhaustion requirement does not, however, require petitioner to seek certiorari from the Supreme Court on the basis of the state court's denial of post-conviction relief before pursuing a federal remedy. *See Snow*, 238 F.3d at 1036. Thus, these circuits infer that if the petitioner is not required to turn to the Supreme Court before qualifying for federal habeas review — review that could potentially undo the state court's verdict — the tolling period does not need to include the period required to seek such review in order to protect the finality of state judgments. Noting that a petitioner could file for federal habeas during this period, they conclude that it is "unlikely" Congress intended to allow such tolling, when its stated goals included "curb[ing] the protracted nature of habeas corpus proceedings." *Isham*, 226 F.3d at 695.

We find it unnecessary, however, to resolve these issues on the facts before us. We reach this conclusion because we find the language of the tolling provision to be explicit for cases like this one, where no certiorari petition was filed. Section 2244(d)(2) expressly provides that the limitations period is tolled during the time that "a *properly filed* application for State post-conviction or other collateral review with respect to the pertinent judgment claim is *pending*." 28 U.S.C. § 2244(d)(2) (emphasis added). Because Smaldone never sought certiorari from the Supreme Court, no application for review was either "properly filed" or "pending" here, and thus the statute was not tolled. We therefore exclude from tolling under 28 U.S.C. § 2244(d)(2) the ninety-day period during which a petitioner could have but did not file a certiorari petition to the United States Supreme Court from the denial of a state post-conviction petition. Our holding is limited to the facts of this case, and we do not reach the questions that would have been raised if a certiorari petition had been properly filed. *See also Gutierrez v. Schomig*, 233 F.3d 490, 491-92 (7th Cir. 2000) (similarly limiting the Seventh Circuit's holding to preclude tolling during the ninety-day period for certiorari when no petition was filed).

B. Equitable Tolling

Petitioner also asks whether his attorney's mistaken belief that AEDPA's one-year limitation period is "reset" rather than tolled by state post-conviction petitions should result in equitable tolling of the limitation period.

This Court has joined the majority of circuit courts in formally recognizing the application of equitable tolling to the one-year grace period implied for petitioners convicted prior to AEDPA's passage in 1996. *See Smith v. McGinnis*, 208 F.3d 13, 17 (2d Cir. 2000). Equitable tolling, however, is only appropriate in "rare and exceptional circumstances." *Id.* To merit application of equitable tolling, the petitioner must demonstrate that he acted with "reasonable diligence" during the period he wishes to have tolled, but that despite his efforts, extraordinary circumstances "beyond his control" prevented successful filing during that time. *See id.*; *Sandvik v. United States*, 177 F.3d 1269, 1271 (11th Cir. 1999).

This Circuit, like her sisters, has found attorney error inadequate to create the "extraordinary" circumstances equitable tolling requires. *See Geraci v. Senkowski*, 211 F.3d 6, 9 (2d Cir. 2000) (attorney's misunderstanding of the period for which a claim remained "pending" did not warrant equitable tolling); *Fahy v. Horn*, 240 F.3d 239, 244 (3d Cir. 2001)("attorney error, miscalculation, inadequate research, or other mistakes have not been found to rise to the 'extraordinary' circumstances required for equitable tolling"); *Taliani v. Chrans*, 189 F.3d 597, 598 ("a lawyer's mistake is not a valid basis for equitable tolling"); *Sandvik v. United States*, 177 F.3d 1269, 1270 (11th Cir. 1999) ("mere attorney negligence . . . is not a basis for equitable tolling").

Additionally, we have already rejected another plea for equitable tolling based on *Valentine v. Senkowski*, 966 F.Supp. 239, 241 (S.D.N.Y.1997), the very case on which petitioner asserts his attorney justifiably relied. *See Smith*, 208 F.3d at 16-17. Furthermore, we find § 2244(d)(2)'s tolling

provision unambiguous in its intention to prevent certain periods from "counting toward" the one-year statute. *See* 28 U.S.C. § 2244(d)(2) ("The time during which a properly filed application for State post-conviction or other collateral review . . . is pending *shall not be counted toward* any period of limitation under this subsection.") (emphasis added). Thus, we answer petitioner's equitable tolling question also in the negative, finding that the attorney's mistaken belief that the tolling period reset after each state collateral appeal does not constitute the "extraordinary" circumstances warranting equitable tolling.

C. Supplemental Claim

Petitioner submits a supplemental brief asking this Court to apply retroactively its June 14, 2001 decision in *Zarvela v. Artuz*, 254 F.3d 374 (2d Cir. 2001).

As Amended by the AEDPA, 28 U.S.C. § 2253 provides guidelines for an appeal from a dismissal of a petition for habeas corpus in the federal district court.

> (c)(1) Unless a circuit justice or judge issues a certificate of appealability, an appeal may not be taken to the court of appeals from —
>
> > (A) the final order in a habeas corpus proceeding in which the detention complained of arises out of process issued by a State court;
>
> . . .
>
> (2) A certificate of appealability may issue under paragraph (1) only if the applicant has

> made a substantial showing of the denial of a constitutional right.
>
> (3) The certificate of appealability under paragraph (1) shall indicate which specific issue or issues satisfy the showing required by paragraph (2).

28 U.S.C. § 2253. This Court has interpreted § 2253's requirement to preclude consideration of issues outside the certificate of appealability. *See Green v. United States*, 260 F.3d 78, 85 (2d Cir. 2001) (finding lack of appellate jurisdiction to reach an equitable tolling argument not included in the certificate of appealability); *Armienti v. United States*, 234 F.3d 820, 824 (2d Cir. 2000) ("We will not address a claim not included in the certificate of appealability"). Because petitioner's supplemental claim is not included under the certificate of appealability as amended, we lack jurisdiction to consider the question at this time. The parties suggest that this issue is included under the certificate of appealability because this Court granted a Motion to file a Supplemental Brief addressing the *Zarvela* issue. The suggestion is rejected. In most instances (as in this one), a motion to file a supplemental brief requires no showing of a denial of a constitutional right. The requirement of a "substantial showing of the denial of a constitutional right" must be addressed before a certificate of appealability may issue. The specific requirements of the AEDPA may not be satisfied other than through direct consideration of the appealability of a question. A supplemental brief motion cannot, therefore, place the issue properly before this Court.

For the reasons set forth above, the ruling of the district court is AFFIRMED.

APPENDIX B — MEMORANDUM AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK DATED AUGUST 3, 2000

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

99-CV-3318 (JG)

FRANK SMALDONE,

Petitioner,

-against-

DANIEL SENKOWSKI, Superintendant,
Clinton Correctional Facility,

Respondent.

* * *

MEMORANDUM AND ORDER

JOHN GLEESON, United States District Judge:

Respondent has moved to dismiss as untimely this petition for a writ of habeas corpus. The petitioner contends that the petition was timely filed and, in the alternative, that equity should excuse its lateness because the delay was the result of attorney error. Finding the petition untimely and the doctrine of equitable tolling inapplicable, I dismiss the petition.

Appendix B

BACKGROUND

Petitioner Frank Smaldone was convicted after a jury trial in 1992 of murder in the second degree and arson in the third degree. (Affidavit of Sharon Y. Brodt in Support of Motion to Dismiss ("Brodt Affidavit"), ¶¶ 5-6.) On May 18, 1992, Smaldone was sentenced to consecutive terms of 25 years to life on the murder conviction and five to 15 years on the arson conviction. (*Id.*, ¶ 6.)

The Appellate Division, Second Department affirmed Smaldone's conviction on March 27, 1995. *See People v. Smaldone*, 624 N.Y.S.2d 200 (2d Dep't 1995). On July 6, 1995, Smaldone was denied leave to appeal to the New York Court of Appeals. *See People v. Smaldone*, 86 N.Y.2d 784 (1995).

On January 3, 1996, Smaldone and his family retained Robert Bennet Adler to handle Smaldone's state collateral challenges to his conviction. (Affidavit of Frank Smaldone ("Smaldone Affidavit"), ¶ 3.) At some point after Adler was retained, Smaldone became aware of the statute of limitations provision contained in the Antiterrorism and Effective Death Penalty Act of 1996 ("AEDPA"), Pub.L. 104-132, 110 Stat. 1214 (1996), relevant portion codified at 28 U.S.C. § 2244(d)(1). (*Id.*, ¶ 6.) During the course of Adler's preparation of Smaldone's first collateral challenge in state court, Smaldone mentioned the statute of limitations to him "frequently." (*Id.*) Each time, Adler told Smaldone that the statute period did not start running "until all state post-conviction proceedings are exhausted."[1] (*Id.*, ¶ 7.) During this period, Smaldone's step-

1. All of the contentions regarding Adler in this background section are drawn from the affidavit of Smaldone and Kevin (Cont'd)

father also asked Adler "many times" about the AEDPA statute of limitations. (Affidavit of Kevin Schlosser ("Schlosser Affidavit"), ¶ 6.) "[H]is answer always was that 'The statute of limitations does not begin to run until all state post-conviction proceedings are complete.' " (*Id.*)

On November 29, 1996, Adler filed a motion to vacate Smaldone's conviction pursuant to N.Y. Crim. Proc. Law §§ 440.10 & 440.20 in the Supreme Court, Queens County. (Brodt Affidavit, ¶ 9; Smaldone Affidavit, ¶ 4.)

On April 11, 1997, Adler wrote to Smaldone to advise him that he was awaiting word from the Supreme Court on an oral argument date for the § 440 motion. (Exh. A. to Smaldone Affidavit.) Adler also stated the following:

> In addition, I note a developing body of law relating to an April 24th date for filing habeas petitions. I have picked up the 2254 form from the Clerk's Office in the Brooklyn Federal Court for you. If this cutoff date is 'real,' it may well be that you should prepare and file it, alleging ineffective assistance of trial and appellate counsel, as well as challenging on constitutional (*Jackson v. Virginia*) grounds the murder conviction. I enclose a copy for your use.

(*Id.*)

(Cont'd)

Schlosser, his step-father, and from supporting exhibits. Respondent has not provided an affidavit from Bennett, nor has respondent requested an evidentiary hearing at which Bennett would be afforded an opportunity to testify. With the case in this procedural posture, all of petitioner's contentions about Adler must be accepted as true.

Appendix B

On April 24, 1997, Smaldone wrote to Adler to express his dismay that the attorney had advised him to file a habeas petition *pro se*. (Exh. B. to Smaldone Affidavit.) In the letter, Smaldone indicated that he believed that Adler should have filed the petition. Nonetheless, Smaldone advised Adler that he was filing a petition and included a copy for him. (*Id.*)

On April 25, 1997, Smaldone filed a *pro se* petition for a writ of habeas corpus in this Court. (Brodt Affidavit, ¶ 12.)

On June 27, 1997, the Supreme Court denied Smaldone's § 440 petition. (Brodt Affidavit, ¶ 11; Smaldone Affidavit, ¶ 12.) On August 14, 1997, Smaldone sought leave to appeal the Supreme Court's denial of his § 440 petition. (Brodt Affidavit, ¶ 11.)

On September 3, 1997, Adler wrote to Smaldone and included a copy of an opinion from the United States District Court for the Southern District of New York, "construing the habeas statute in the context of a post-judgment '440' motion in which the 2254 proceeding was commenced within one year of the denial of his 440 motion." (Exh. D to Smaldone Affidavit.) Adler stated that the fact pattern addressed in the opinion "would possibly parallel your situation, should the Appellate Division deny the pending motion." (*Id.*) The enclosed opinion was *Valentine v. Senkowski*, 966 F.Supp. 239 (S.D.N.Y.1997), which held that "the 1-year period of limitations does not begin to run until after direct review has been completed and state post-conviction review has been exhausted." *Id.* at 241.

On September 19, 1997, Judge Sterling Johnson of this Court dismissed Smaldone's habeas petition without prejudice to refiling upon exhaustion of state court remedies.

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Judge Johnson's memorandum and order included an admonition that the statute of limitations was tolled, not "reset," by pending state court petitions for collateral review of final convictions: "Petitioner is reminded that the recent amendment to the habeas corpus statute imposes a one-year statute of limitations for filing non-capital habeas corpus petitions in federal court. In most cases, the one year period will start to run on the date on which the state court judgment became final by the conclusion of direct review, although the statute of limitations is tolled while a properly filed application for state post-conviction or other collateral review is pending." (*Smaldone v. Senkowski*, 97 CV 2225, Sept. 19, 1997, at 4 (internal citations omitted).)

Smaldone advised Adler of Judge Johnson's decision. (Smaldone Affidavit, ¶ 11.)

On November 17, 1997, leave to appeal the Supreme Court's denial of the § 440 petition to the Appellate Division, Second Department was denied. (Brodt Affidavit, ¶ 11; Smaldone Affidavit, ¶ 17.) Shortly thereafter, Smaldone and Adler spoke on the phone, and Adler advised Smaldone that he was preparing an application for a writ of error coram nobis. (Smaldone Affidavit, ¶ 18.) Smaldone again raised the subject of the AEDPA statute of limitations. (*Id.*) Adler told him he was "conferring with others on the point, but still believed that the statute did not begin to run until all state post-conviction proceedings were completed." (*Id.*)

For the next seven months, Smaldone and his step-father "hounded" Adler about filing the coram nobis petition, but Adler told them that he was working on it and that "some delays were to be expected." (Smaldone Affidavit, ¶ 20; Schlosser Affidavit, ¶ 9.) During this period, Schlosser also

asked Adler "again and again" about the AEDPA statute of limitations, and each time Adler assured him that it did not begin running until after the exhaustion of all state post-conviction remedies. (Schlosser Affidavit, ¶ 9.)

On June 8, 1998, Adler filed the application for a writ of error coram nobis in the Appellate Division. (Brodt Affidavit, ¶ 14.)

On February 16, 1999, Adler met with Smaldone in prison to talk about his case and the available options should the Appellate Division deny the coram nobis petition. Smaldone again raised his concern about AEDPA's statute of limitations; Adler told him that "he was still researching the matter, but still believed that the statute did not begin to run until the completion of all state post-conviction proceedings." (Smaldone Affidavit, ¶ 22.) On the same day, the Appellate Division denied the coram nobis petition. *See People v. Smaldone*, 683 N.Y.S.2d 905 (2d Dep't 1999).

On March 1, 1999, Adler wrote to Smaldone to advise him that Appellate Division denials of coram nobis applications were not appealable to the Court of Appeals. (Exh. F to Smaldone Affidavit.) Adler told Smaldone that he would nonetheless seek leave to appeal, "lest any stone be left unturned." (*Id.*) "It will then be up to Judge Johnson to decide your writ," the letter continued, "which should be redrafted to include the instant issue." (*Id.*)

As promised, Adler sought leave to appeal to the New York Court of Appeals on Smaldone's behalf, and, as predicted, that application was dismissed on March 24, 1999, for lack of appellate jurisdiction. *See People v. Smaldone*, 93 N.Y.2d 878 (1999).

Appendix B

The instant petition for a writ of habeas corpus was filed on June 11, 1999. Now before the Court is a motion by respondent to dismiss the petition as untimely.

DISCUSSION

A. Timeliness of the Petition

Under AEDPA, a habeas petitioner must file his application for relief within a one-year period of limitations that generally runs from "the date on which the judgment became final by the conclusion of direct review or the expiration of the time for seeking such review." 28 U.S.C. § 2244(d)(1)(A). AEDPA also provides that this one-year period is tolled while "a properly filed application for State post-conviction or other collateral review with respect to the pertinent judgment or claim is pending." *Id.* § 2244(d)(2). Contrary to *Valentine* (and to the view Adler expressed to Smaldone), it is now settled that this is merely a tolling provision; a state court's rejection of a properly filed application for post-conviction relief does not "reset" the AEDPA statute of limitations clock. *Smith v. McGinnis*, 208 F.3d 13, 17 (2d Cir. 2000) (per curiam), *petition for cert. filed*, __ U.S.L.W. __ (U.S. Apr. 17, 2000) (No. 99-9695).

Prisoners whose convictions became final before the enactment of AEDPA, like Smaldone, had a one-year grace period — from AEDPA's enactment on April 24, 1996, until April 24, 1997 — to file their petitions. *See Ross v. Artuz*, 150 F.3d 97, 103 (2d Cir. 1998). That grace period is also subject to tolling by a "properly filed application for State post-conviction or other collateral review," 28 U.S.C. § 2244(d)(2). *Smith*, 208 F.3d at 15.

Applying these principles to Smaldone's case, it is clear that his petition is untimely. The statute of limitations began running upon enactment of AEDPA on April 24, 1996, and continued for more than seven months until the November 29, 1996, filing of the § 440 petition. The statute was then tolled until November 17, 1997, when the Appellate Division denied leave to appeal the Supreme Court's denial of the § 440 petition. The statute period then ran for nearly seven months more - and expired - between November 17, 1997 and the filing of the coram nobis petition on June 8, 1998. Had it not already expired, the statute period would have then been tolled until February 16, 1999, when the Appellate Division denied the coram nobis petition. It then ran nearly another four months until the filing of the instant petition.

The statute of limitations therefore ran for more than 17 months and is untimely. In order to avoid this result, Smaldone would add 90 days to the tolling provided by the pendency of the § 440 and coram nobis petitions in the New York courts[2] to account for the time during which Smaldone could have filed petitions for writs of certiorari in the United States Supreme Court. This argument is meritless. The 90-day period for seeking certiorari is relevant

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2. Smaldone argues that this 90-day period should be measured from the Appellate Division's denial of the coram nobis petition, rendering it unnecessary to decide whether the doomed effort to appeal that decision to the New York Court of Appeals tolled the AEDPA statute of limitations. If Smaldone had argued for tolling through the Court of Appeals's dismissal, I would have rejected the contention for the reasons I stated in *Harrison v. Artuz*, ___ F.Supp.2d ___, ___, No. 98-CV-3666, 2000 WL 914661, at * 3 - *4 (E.D.N.Y. June 30, 2000).

to determining only the point at which a judgment becomes final, as it frequently is the point at which the time for seeking direct review has expired. *See* 28 U.S.C. § 2244(d)(1)(A). Section 2244(d)(2), by contrast, does not contain § 2244(d)(1)(A)'s reference to the "expiration of the time for seeking . . . review." Instead, § 2244(d)(2) tolls the limitations period only during the time in which a state-court motion for collateral review is "pending." Thus, assuming Smaldone could have petitioned for a writ of certiorari from the Appellate Division's orders, he did not do so. His § 440 and coram nobis petitions were therefore not "pending" after they were denied. *See Geraci v. Senkowski*, 211 F.3d 6, 9 (2d Cir. 2000) (statute of limitations period begins running when Appellate Division denies coram nobis petition).

B. Equitable Tolling

Smaldone also argues that even if his petition is untimely, the statute of limitations should be equitably tolled to allow consideration of the petition on the merits. He argues that it was reasonable for Adler to rely on *Valentine v. Senkowski*, 966 F.Supp. 239 (S.D.N.Y.1997), in advising Smaldone that he would have a year to file his habeas petition after the end of state collateral review. Although numerous district courts disagreed with *Valentine* after it was issued, Smaldone points out that the Second Circuit did not explicitly reject *Valentine*'s construction of AEDPA until it decided *Smith v. McGinnis*, 208 F.3d 13 (2d Cir. 2000), in March of this year. In the alternative, Smaldone contends that Adler's advice was unreasonable and that Smaldone therefore suffered from ineffective assistance of counsel. In either case, Smaldone contends that he should not be punished for his attorney's error.

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Although the Second Circuit has held that equitable tolling is available to habeas petitioners, it has said that the doctrine will apply "only in the 'rare and exceptional circumstance[ ].' " *Smith*, 208 F.3d at 17 (quoting *Turner v. Johnson*, 177 F.3d 390, 391-92 (5th Cir.), *cert. denied*, 120 S.Ct. 504 (1999)). To obtain the benefit of equitable tolling, a petitioner must make two showings. First, he must demonstrate that "extraordinary circumstances prevented him from filing his petition on time." *Id.* (citing *Johnson v. Nyack Hosp.*, 86 F.3d 8, 12 (2d Cir. 1996)). Second, he must show that he "acted with reasonable diligence throughout the period he seeks to toll." *Id.* (citing *Johnson*, 86 F.3d at 12).

Smaldone has failed to make the first showing; there was no cognizable impediment preventing him from filing his petition on time. The Fourth Circuit recently rejected a claim for equitable tolling on facts virtually identical to those presented by the present motion. *See Harris v. Hutchinson*, 209 F.3d 325 (4th Cir. 2000). In that case, the petitioner's attorney advised him that he had one year from a Maryland court's denial of his post-conviction challenge to file his habeas petition, notwithstanding the fact that ten and one-half months of the AEDPA statute of limitations period had run before that post-conviction challenge was filed. *See id.* at 326-27. The petitioner subsequently filed his habeas petition within the one-year period recommended by counsel, but beyond the actual expiration of the statute of limitations. *See id.* at 327.

The petitioner argued that he was entitled to equitable tolling because of the " 'negligent and erroneous advice' " of counsel and because the law at the time counsel provided the advice was unclear. *Id.* at 328. The court rejected the

contention, concluding that "a mistake by a party's counsel in interpreting a statute of limitations does not present the extraordinary circumstance beyond the party's control where equity should step in to give the party the benefit of the erroneous understanding." *Id.* at 331.

Other courts have likewise rebuffed claims for equitable tolling raised by habeas petitioners based on attorney error or lack of clarity in the law. *See United States v. Marcello*, 212 F.3d 1005, 1010 (7th Cir. 2000) ("The petitioners' argument that the deadline was unclear also makes no sense, because if it was unclear, they should have filed by the earliest possible deadline, not the latest. The deadline was simply missed."); *Taliani v. Chrans*, 189 F.3d 597, 598 (7th Cir. 1999) ("Normally, . . . a lawyer's mistake is not a valid basis for equitable tolling, and nothing in the present case justifies relaxing this rule; forcing the defendant to defend against the plaintiff's stale claim is not a proper remedy for negligence by the plaintiff's lawyer." (internal citation omitted)); *Sandvik v. United States*, 177 F.3d 1269, 1271-72 (11th Cir. 1999) (denying equitable tolling when petition was late because attorney used regular mail rather an express service to send petition); *Meiggs v. Pinkens*, No. C 99-33638, 2000 WL 101245, at *3 (N.D.Cal. Jan. 20, 2000) ("Ignorance of the deadline — whether on the part of the petitioner herself or due to the petitioner's attorney's negligence — does not merit equitable tolling for the delay caused by such ignorance.").

These cases are consistent with those addressing claims for equitable tolling of statutes of limitations in other contexts. *See Irwin v. Dep't of Veteran Affairs*, 498 U.S. 89, 96 (1990) ("[T]he principles of equitable tolling . . . do not

extend to what is at best a garden variety claim of excusable neglect.")[3]; *South v. Saab Cars USA*, 28 F.3d 9, 12 (2d Cir. 1994) ("[L]ack of due diligence on the part of plaintiff's attorney is insufficient to justify application of an equitable toll."); *Gilbert v. Secretary of Health & Human Servs.*, 51 F.3d 254, 257 (Fed.Cir.1995) ("The negligence of [plaintiff's] attorney [in misreading statute of limitations provision] does not justify applying equitable tolling.").

Finally, petitioner's contention that the statute of limitations should be equitably tolled because he suffered from ineffective assistance of counsel is defeated by the absence of a right to counsel in state post-conviction (or federal habeas) proceedings. *See Coleman v. Thompson*, 501 U.S. 722, 752 (1991). Therefore, "a petitioner cannot claim constitutionally ineffective assistance of counsel in such proceedings." *Id.* Where the state is obligated by the Sixth Amendment to provide competent counsel, constitutionally ineffective performance by an attorney is "imputed to the State" and therefore is considered a factor "external" to the habeas petitioner. *Id.* at 754. In other situations, however, where there is no constitutional right to

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3. The Supreme Court in *Irwin* noted that equitable tolling has been permitted in cases "where the complainant has been induced or tricked by his adversary's misconduct into allowing the filing deadline to pass." *Id.* at 96. At oral argument, petitioner's counsel contended that this principle supported equitable tolling in this case because Adler had, in effect, been "tricked" by *Valentine*. This argument is meritless. Tolling is available in the situation described in *Irwin* so that a party to litigation will not benefit from its own misconduct. No such concerns apply here. Respondent had nothing to do with Adler's reliance on *Valentine*.

counsel, "the attorney is the petitioner's agent when acting, or failing to act, in furtherance of the litigation, and the petitioner must bear the risk of attorney error." *Id.* at 753 (internal quotation marks omitted).

CONCLUSION

For these reasons, the petition is dismissed as untimely. I make no determination regarding the issuance of a certificate of appealability. If petitioner intends to seek one from this Court, he should do so by letter brief with citation to authority that would authorize such a certificate.

So Ordered.

s/ John Gleeson
John Gleeson, U.S.D.J.

Dated: August 3, 2000
Brooklyn, New York

APPENDIX C — MEMORANDUM AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK DATED SEPTEMBER 14, 1997

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

97 CV 2225 (SJ)

FRANK SMALDONE,

Petitioner,

-against-

D.A. SENKOWSKI, Superintendent of Clinton Correctional Facility,

Respondent.

* * *

MEMORANDUM AND ORDER

JOHNSON, District Judge:

Frank Smaldone ("Smaldone" or "Petitioner"), appearing *pro se*, and after having commenced a habeas corpus proceeding pursuant to 28 U.S.C. § 2254, seeks to hold his habeas petition in abeyance until his pending state post-conviction appeals have been exhausted. Petitioner is also requesting appointment of counsel. For the reasons set forth herein, Petitioner's motion is denied and his application for habeas relief is dismissed without prejudice.

Appendix C

BACKGROUND

Petitioner currently has a N.Y. Crim. Proc. L. § 440.10 post-conviction appeal pending before Justice McGann in Queens County. Petitioner filed a Petition for Writ of Habeas Corpus Pursuant to 28 U.S.C. § 2254 in this court on April 24, 1997. That same day, Petition filed motions to hold his habeas petition in abeyance and for appointment of counsel. Petitioner did not submit a Memorandum of Law in Support of his Habeas Petition asserting the grounds of his appeal. However, Petitioner states in the motion presently before this court that the issues in his § 440.10 appeal are intertwined with the issues to be presented in his habeas petition.

Although Respondent would consent to the holding of Petitioner's § 2254 petition in abeyance, he argues in the alternative that the petition should be dismissed due to petitioner's failure to exhaust state remedies.

DISCUSSION

A federal court may not review the merits of a petition for a writ of habeas corpus unless the petitioner has exhausted all the remedies available in the state courts. 28 U.S.C. § 2254(b)(1); *Picard v. Connor*, 404 U.S. 270, 275 (1971). A claim is deemed to be exhausted when it has been presented " 'to the highest court of the pertinent state.' " *Bossett v. Walker*, 41 F.3d 825, 828 (2d. Cir. 1994) (quoting *Pesina v. Johnson*, 913 F.2d. 53, 54 (2d. Cir. 1990)), *cert. denied*, __U.S.__, 115 S. Ct. 1436 (1995). The exhaustion doctrine gives the state court a fair opportunity to pass upon all of the federal claims asserted in the petition so that it may correct any constitutional error before the federal habeas court addresses it. *Rose v. Lundy*, 455 U.S. 509, 518 (1982).

Appendix C

Upon petitioner's admission and respondent's concurrence that petitioner's state court remedies have not been exhausted, this court cannot hold petitioner's habeas petition in abeyance and must dismiss petitioner's habeas corpus petition without prejudice. After petitioner's state court remedies have been exhausted, he may timely refile his § 2254 habeas petition in federal court. Petitioner is reminded that the recent amendment to the habeas corpus statute imposes a one-year statute of limitations for filing non-capital habeas corpus petitions in federal court. Antiterrorism and Effective Death Penalty Act of 1996, Title I, § 106(b), Pub.L. No. 104-132, 110 Stat. 1214 (April 24, 1996). In most cases, the one year period will start to run on the date on which the state court judgment became final by the conclusion of direct review, although the statute of limitations is tolled while a properly filed application for state post-conviction or other collateral review is pending. 28 U.S.C. § 2244(d).

Because this court is dismissing petitioner's habeas petition, his request for appointment of counsel is deemed moot and is dismissed as well.

CONCLUSION

Accordingly, and without reaching the merits of any of Mr. Smaldone's claims, the habeas petition is dismissed without prejudice.

So Ordered.

Dated: September 19, 1997
Brooklyn, New York

s/ (illegible)
U.S.D.J.

Supreme Court, U.S.
FILED

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OFFICE OF THE CLERK

No.

In the

Supreme Court of the United States

E. RAY CARTER and
CARTER ELECTRIC CORPORATION,
Petitioners,

v.

ENGINEERED PRODUCTS COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Petitioner Carter designed a revolutionary new product. Prior to marketing the product he designed a rocket-like trade dress to make its appearance distinctive. Several national manufacturers recognized the trade dress and either licensed it or made similar products with different trade dresses. The result was much innovative competition in a new market across America, with much product diversity and consumer choice. Reversing the Special Verdict of the Jury below, the Ninth Circuit Court held the product was functional and denied trade dress protection.

1. Did the Ninth Circuit Court of Appeals err by applying a new and more restrictive test for functionality, created to make it more difficult to obtain product trade dress protection, where the new test is in conflict with, and yields results contrary to the test for functionality established by this Court, by most other courts of appeals, and by some of the Ninth Circuit Court's own earlier published opinions?

2. Did the Ninth Circuit err in concluding Petitioners' trade dress was functional, because it includes a few non-essential features that have some usefulness or function, regardless of the large number of cost-effective design alternatives proved to exist, and regardless of the indisputable increase in competition in the new market created by the trade dress?

3. Does the determination of functionality require a careful balance to be struck between the need for source identification and the avoidance of customer confusion, on one hand, and – if there is a conflict – the interests of innovation and competition, on the other, independently of other irrelevant factors and considerations?

4. If the determination of functionality is an issue of fact for the jury to decide, did the Ninth Circuit erroneously substitute its own judgment on that issue for the special verdict of non-functionality rendered by the Jury, pursuant to a proper jury instruction and based on sufficient supporting evidence?

PARTIES TO THE PROCEEDINGS

Including the parties named in the caption of this Petition, the parties are:

Petitioners: E. Ray Carter ("Carter"), an individual.

Carter Electric Corporation ("Carter Electric"), a non-governmental corporate party to the proceedings before the United States District Court for the District of Arizona and the United States Court of Appeals for the Ninth Circuit

Carter Electric Corporation discloses that it is an Arizona corporation, that there are no parent corporations to Carter Electric Corporation, and that there are no publicly held companies which own 10 percent or more of Carter Electric Corporation's stock.

Respondent: Engineered Products Company ("EPCO"), a non-governmental corporate party to the proceedings before the United States District Court for the District of Arizona and the United States Court of Appeals for the Ninth Circuit. Petitioner states that EPCO is a Minnesota corporation and that there are no publicly held companies which own 10 percent or more of EPCO's stock.

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IN THE
SUPREME COURT OF THE UNITED STATES

E. RAY CARTER

and

CARTER ELECTRIC CORPORATION,
Petitioners,

vs.

ENGINEERED PRODUCTS COMPANY
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

E. RAY CARTER and CARTER ELECTRIC CORPORATION, Petitioners, by undersigned counsel and under the appropriate rules of this Court, request that this Court issue a writ of certiorari to the United States Court of Appeals for the Ninth Circuit.

OPINIONS BELOW

There are no published opinions in this case. The Special Verdict of the Jury was entered on May 21, 1999, and is attached as Appendix D. The Judgement entered by the District Court on May 25, 1999, was based on that Special Verdict and is attached as Appendix C.

The Opinion and Judgment of the Ninth Circuit Court of Appeals was entered on October 4, 2001 and is attached as Appendix A. The Order denying Petitioners' Petition for a Rehearing en Banc was entered on November 15, 2001, and is attached as Appendix B.

JURISDICTION

The subject matter jurisdiction of the United States District Court for the District of Arizona in this action was founded on 15 U.S.C § 1125(a) and 28 U.S.C. § 1331 and 1338. Subject matter jurisdiction of the Ninth Circuit Court of Appeals in this action was invoked under 28 U.S.C. § 1291.

Jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). This Petition was timely filed on or before the date it was due of February 13, 2002.

RELEVANT PROVISIONS INVOLVED

Art. 1, Sec. 8, Clause 8 of the United States Constitution

> The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;
>
> * * *
>
> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;
>
> * * *

15 U.S.C § 1125(a)

False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading

description of fact, or false or misleading representation of fact, which -

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

28 U.S.C. § 1331

Federal question

The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.

28 U.S.C. § 1338

Patents, plant variety protection, copyrights, mask works, designs, trade-marks, and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent, plant variety protection or trade-mark laws.

(c) Subsections (a) and (b) apply to exclusive rights in mask works under chapter 9 of title 17, and to exclusive rights in designs under chapter 13 of title 17, to the same extent as such subsections apply to copyrights.

STATEMENT OF THE CASE

A. The Nature and Facts of the Case.

1. The Key Facts of the Case.

Petitioner Carter created a revolutionary and new, but very simple product on which to mount landscape lighting fixtures near to the ground. See Appendix E. Before he invented his new lighting post, landscape lighting fixtures were typically and haphazardly mounted on junction boxes supported by galvanized pipe. See Appendix F. However, before Petitioners began marketing their new lighting post, Carter decided to create a rocket-like trade dress for his post to make its appearance distinctive. See Appendix G. He did this by adding a slant cut to the bottom of the post, fins on the side of the post, and decorative ribs on a top cap for the post. See Appendix H for the Carter trade dress and Respondent's copy of it.

As the evidence established, the slant cut is an unnecessary feature because it is not used to drive the post into the ground. Further, the trenches required by electrical codes for incoming and outgoing wiring to the post are uniformly deeper than the length of the post so the slant cut is functionally irrelevant. The "stabilizing" fins were also shown by the evidence to be unnecessary because a post of that length is self-supporting, when buried, and many customers consistently discard and do not use the fins. In a survey conducted by Respondent EPCO, only 1 % of those surveyed thought the slant cut was important or significant, and less than 6% thought the fins might help keep the buried

post from tipping. Finally, the ridges in the top cap of the Rocket Post are not necessary to get a grip on the cap, as Respondent EPCO has suggested, but are strictly ornamental. The top cap is held onto the post by a pressure screw in the cap. Dimensional tolerances between the cap and the post are such that, without the screw, the cap readily falls off, as was demonstrated to the Jury at trial.

To reinforce recognition of the distinctive appearance of the new rocket-like lighting post, Petitioners sought and obtained a registration on the trade name under which the post is marketed and came to be recognized, the Rocket Perma-Post®. The Rocket Post was displayed and promoted as looking like a rocket. Several of the major, national manufactures and distributors of landscape lighting fixtures quickly recognized Petitioner's distinctive trade dress and entered into license agreements with Petitioners to manufacture and sell the product, using Petitioners' trade name as well. Other new competitors, either independently, or under threat of suit if they copied, began manufacturing and selling landscape lighting posts which served the same function and used the same features, but presented different trade dresses that did not infringe on Petitioners' trade dress. For a few examples, see Appendices I, J, K and L. Indeed, after judgment was entered against it for trade dress infringement, even Respondent EPCO developed its own non-infringing landscape lighting post. See Appendix L.

Unlike other competitors, who either licensed Petitioners' Rocket Post or adopted the same features, but gave their posts different trade dresses (See Appendices I, J and K), Respondent EPCO copied Petitioners' Rocket Perma-Post® down to the screw holes on the fins which EPCO could not figure out how to use. (Petitioners use them solely for packing the fins against the post for shipment, so they can be readily assembled or discarded.) The design of Respondent's copycat post used the same dimensions as the Rocket Post. See Appendix O. EPCO even sought to have its rocket cap made the same color of white as that of Petitioners, forwarding a sample rocket cap of Petitioners to EPCO's proposed manufacturer. See Appendix P. After copying Petitioners' Rocket Post, EPCO's sales staff told

distributors that they manufactured the same rocket post as Petitioners. Much palming off occurred. EPCO did not adopt a trade name for its post, so it could be sold in response to requests or orders for a Rocket Post or Perma-Post, as customers often called it.

2. Some Other Facts Relevant to the Case.

A word is required on safety. In the market for the landscape light fixtures that go on top of the posts, two types have been sold. The first and older type of light fixture does not include, as a part of the fixture, its own third grounding wire. These are referred to as two-wire fixtures. They are still being sold. More recently, a larger percentage of the landscape light fixtures sold are three-wire fixtures, which do include their own grounding wire. Petitioners' first version of the Rocket Perma-Post® was suitable for two-wire landscape lighting fixtures without a grounding wire, because the Rocket Post afforded an internal means to ground a two-wire light fixture, to avoid the risk of deadly shock. However, Petitioners' also make a second version of the Rocket Post without the patented internal grounding mechanism, which includes a safety sticker, explaining that the post should be used only with three-wire fixtures having their own grounding wire. The issue is of particular importance in most areas of the United States where lawns become wet, because shock can be a deadly hazard, especially for children playing on lawns. The Respondent's copycat post included no safety or warning sticker and no means for grounding two-wire light fixtures.

For a sectioned view of the version of the Rocket Post with the patented internal grounding mechanism, see Appendix M. Because the hub and grounding wire are internal to this Rocket Post, the patented feature does not affect the overall appearance or the trade dress of the Rocket Post (in either version). It can only be seen by looking into the bottom or top of the Rocket Post, which customers seldom do. The patented aspect of the Rocket Post became a red herring and a source of much confusion in the case below. Aside from the concealed, patented feature, the

remainder of the Rocket Post is not patent protected and Petitioners have not claimed otherwise.

It should also be pointed out that little of what goes into the making of either Rocket Perma-Post® can be purchased at a local hardware store. The fins and top cap of the post are injection molded. Two molds, each costing approximately $5,000, have to be designed and made first. The design of each mold can be arbitrarily made in virtually any shape or configuration for both the top cap and the fins without added cost for the molds. See Appendix N. The cost of the injected material is minimal relative to the amortized fixed cost of the molds and the labor costs attending the injection processes. The post portion of the Rocket Perma-Post® is not standard PVC. It is manufactured by an extrusion process that requires first mixing the appropriate color into the plastic material. Finally, the slant cut can be made at virtually any angle, made in a different manner (See Appendix N), or not made at all (See Appendices E and I). The angle, or indeed the slant cut itself, has no real purpose or function inasmuch as all known electrical codes require a trench be dug for the post wiring that is deeper than the length of the post itself. Mr. Carter understood this point well, from his long service on the Electric Code Committee of the City of Phoenix. Only the screws used to pack the unassembled fins with the post and to secure the top cap may be bought at a local hardware store.

As was explained at trial, Petitioners' claim of trade dress for the Rocket Perma-Post® was not to exclude others from using the same features. Petitioners simply wanted competitors to use a different angle of slant cut, fins of a different shape and/or size, and not copy the shape of, or same number of ridges on the top cap. Color was not really an issue. Petitioners are not claiming exclusivity for the features of the Rocket Post, only for the appearance of those specific features on the Rocket Post.

B. The Proceedings Below

1. Proceedings in the District Court

This action was tried to a jury which rendered the Special Verdict attached as Appendix D, finding Petitioners' trade dress was non-functional. Pre and post verdict Motions for Judgment as a Matter of Law by Respondent were denied. Judgment was entered in accordance with the Special Verdict. See Appendix C.

2. Proceedings in the Ninth Circuit Court of Appeals

The Ninth Circuit Court of Appeals reversed the Judgment entered by the District Court in a two page opinion which, in substantive part, reads as follows:

> . . .We conclude that Carter failed to prove that the design of the Perma-Post was non-functional, and we therefore cannot sustain a fining that EPCO is liable for trade-dress infringement. See ***Leatherman Tool Group, Inc. vs. Cooper Indus., Inc.***, 199 F.3d 1009 (9th Cir. 1999); ***Disc Golf Ass'n., Inc. vs. Champion Disks, Inc.***, 158 F.3d 1002, 1005 (9th Cir. 1998). . . .

No other explanation was provided.

The Petition for Rehearing en Banc raised five issues: (1) the Ninth Circuit Panel's decision substituted its own judgment on the factual issue of functionality for the Jury's Special Verdict; (2) the Panel's decision is contrary to and would appear to overrule ***Vuitton et Fils, S. A. vs. J. Young Enterprises, Inc.,*** 644 F.2d 769 (9th Cir. 1980) and ***Clamp Mfg. Co., Inc. vs. ENCO Mfg. Co.***, 870 F.2d 512 (9th Cir) *cert. den.*, 493 U.S. 872; (3) the Panel's decision ignored the new market and the competition and the consumer choice in that market created by Petitioner's trade dress; (4) the Panel's reversal is not supported by the holdings in the

two cases cited; (5) the Panel's use of an unpublished opinion, in light of published contrary circuit authority, denied Petitioners Equal Protection under the law. The Petition for Rehearing en Banc was denied on November 15, 2001, and this Petition timely followed.

REASONS FOR GRANTING THE WRIT

I. THE NINTH CIRCUIT COURT OF APPEALS ERRED IN THREE KEY REGARDS.

A. The Ninth Circuit's Ruling is Contrary to this Court's Decision in Traffix Devices, Inc. vs. Marketing Displays, Inc., Other Cases in Other Circuits, and the Ninth Circuit's Own Earlier Opinions.

The holding of the Appellate Court in this case, as quoted above, makes it clear that the Ninth Circuit Court is repudiating the functionality analysis of this Court in ***Traffix Devices, Inc. vs. Marketing Displays, Inc.,*** 532 U.S. 23 (2000), and in other cases, not only generally, but also on the specific conclusion of this Court in ***Traffix*** that features of a product which are not essential to the use or purpose of the article may be accorded trade dress protection. (121 S.Ct. at 1261)

In deciding this case, the Ninth Circuit Court cites its decisions in ***Disc Golf Ass'n, Inc. vs. Champion Discs, Inc.***, 158 F.3d 1998 (9th Cir. 1998) and ***Leatherman Tool Group, Inc vs. Cooper Industries***, 199 F.3d 1009 (1999), but in effect, by adopting the new functionality rule it does in those cases, the Appellate Court overrules its earlier decisions, including ***Clamp***, and places itself in conflict not only with other circuits, but also with the decisions of this Court on functionality. This case is the first in the Ninth Circuit Court to apply these views after, and notwithstanding, this Court's opinion in ***Traffix***.[1]

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[1] We do not suggest that ***Leatherman*** and ***Disc Golf*** are wrongly decided; however, the new functionality test adopted by the Ninth Circuit in those

In ***Disc Golf***, the Ninth Circuit Court's new test to determine functionality addresses the following factors: " (1) whether the design yields a utilitarian advantage; (2) whether alternative designs are available; (3) whether advertising touts the utilitarian advantages of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture." (158 F.3d at 1006). This test is similar to that in ***Morton-Norwich Products, Inc.***, 671 F.2d 1332 (C.C.P.A. 1982), but, as the Ninth Circuit Court applies it, the test is contrary to this Court's opinions in ***Traffix***, ***Inwood Laboratories. Inc. vs. Ives Laboratories, Inc.***, 456 U.S. 844 (1982), and ***Qualitex Co. vs. Jacobson Products Co.***, 514 U.S. 159 (1995), and it turns the doctrine of functionality on its head.

Under the Ninth Circuit's new test, functionality is made to depend too much on the presence of any feature that has any use or function, regardless of whether "it is essential to the use or purpose of the article." ***Trafflx***, 121 S.Ct. at 1261. The test is also biased toward a finding of functionality where, as here, the design at issue results from a "simple or inexpensive method of manufacture." Trade dress law does not preclude protection of functional features which are incidental or non-essential or where many cost-effective alternatives are available, regardless of whether they are cheap and simple. ***Trafflx***, ***Inwood Laboratories*** and ***Qualitex***.

The Ninth Circuit Court in ***Disc Golf*** also makes a co-equal element in determining functionality, the question of whether "advertising" touts a utilitarian advantage of the design, thus placing undue emphasis and importance on the puffery inherent in most advertising. (See 158 F.3d at 1006). This notion of quasi-estoppel is sophistry of the worst sort, and is unrelated to the policies and interests intended to be addressed by the functionality doctrine. It is virtually unimaginable that manufacturers would advertise their products as having useless and superfluous features for

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cases was not necessary to decide them correctly and was largely dicta, but that dicta is used to create a holding here.

which the consumers are expected to pay. Such advertising is unheard of.

The Ninth Circuit Court understands full well its new functionality test is in conflict with the decisions of this Court and others, as well as its own earlier opinions, e.g., ***Clamp***. The Appellate Court explains why it is taking this new tack in ***Leatherman,*** 199 F.3d at 1012. Although the Patent Clause expressly addresses the importance of innovation and artistry and it is the foundation for the judicially created functionality doctrine, the Ninth Circuit Court in ***Leatherman*** rejects the notion that a purpose of unfair competition law (i.e., trademark law and functionality) is to protect and encourage innovation, and, as the Ninth Circuit Court goes on to explain, it is therefore necessary to make it more difficult to obtain protection for product configuration trade dresses than for other forms of trade dress. *Id.* This is a position that has not been adopted by this Court. There is a conflict on the definition and application of the functionality doctrine between, on one hand, this Court, several other circuit courts (as explained below), and earlier Ninth Circuit law, and, on the other, the Ninth Circuit Court's present position on how the functionality doctrine should be defined and applied in cases involving product configuration trade dress, especially in this case.

As the opinion of the Ninth Circuit Court in this case makes clear, that Court is adhering to the rule and analysis it articulated, but did not really apply in ***Disc Golf*** and ***Leatherman***, and is now repudiating the functionality rule and analysis articulated by this Court in ***Inwood Laboratories, Qualitex*** and ***Traffix*** and by other courts of appeals as well. This is not a conflict this Court should let pass.

B. The Ninth Circuit Misunderstood the Patent Element Unnecessarily Introduced in this Case.

The holding of ***Disc Golf*** is far narrower than its overly broad dicta. It is that where a patent protecting one

aspect of a feature of a product expires, trade dress protection may not then be sought for the same aspect of that feature. This holding has no bearing on the present case, but the dicta in ***Disc Golf*** creates the Appellate Court's holding here.

The patented feature of one version of the Rocket Perma-Post® is not a part of its trade dress. As Appendix M makes clear, the patented feature is internal to that version of the Rocket Post and is not a part of its overall appearance. Yet, the Ninth Circuit Court seemed confused by the patent, not only on this level, but on another level as well. To be sure, the entire Rocket Post is described in the Carter patent application, but only the core patent claim on the internal feature is protectable, not the remainder of the post described, the appearance of which is its trade dress. In ***Disc Golf***, the feature sought to be trade dress protected was the parabolic shape of the chain, which was (a) a key part of the appearance of the product itself, and (b) the feature formerly protected by a patent. Neither condition exists in this case.

There is an indication here that the Ninth Circuit Court misunderstood the patent aspect of this case. Its citation to ***Disc Golf*** could be read to suggest that. Further, during oral argument, the Court suggested that the language in the Carter patent itself, like advertising language, created a crude form of quasi-estoppel, without understanding that only the core claim on the internal grounding mechanism of the patent is afforded protection under the patent law. In any event, such an argument should have no place in the analysis of functionality, in light of the true policies and considerations involved, because it is irrelevant and it is used to subvert those policies and considerations, as will be shown.

C. The Ninth Circuit Substituted Its Own Judgment on the Factual Issue of Functionality for the Special Verdict of the Properly Instructed Jury and Did so Contrary to the Supporting Evidence.

With little more than a wave of the hand (some two pages of text), the Ninth Circuit Court reversed and substituted its own judgment for the Special Verdict on non-functionality rendered by the Jury in this action, pursuant to a proper instruction on functionality and that was properly supported by substantial evidence in this case. It has long been known that the issue of functionality is a question of fact. ***John H. Harland Co. vs. Clarke Checks, Inc.***, 711 F.2d 996, 982 (11th Circuit 1983). It is clear, as a matter of law, that a court of appeals may not substitute its own finding or judgment for that of the trier of fact on the question of functionality, as the Second Circuit Court of Appeals had done in ***Inwood Laboratories, Inc. vs. Ives Laboratories, Inc.***, 456 U.S. 844 (1982). In ***Inwood Labs,*** this Court stated that the Court of Appeals erred in setting aside findings of fact that were not clearly erroneous on functionality, and it reversed, in part, on that basis, noting that the Court of Appeals was not entitled to simply dismiss the trier of facts' finding on functionality. Yet, that is exactly what was done as well in this case, but this time by the Ninth Circuit Court of Appeals.

The Ninth Circuit Court of Appeals did not suggest that the Jury below was not properly instructed on functionality, nor is there any genuine argument that the Special Verdict of the Jury on non-functionality is not supported by the evidence. Indeed, the evidence recounted above is that the slant cut, the fins and the shape and ridges of the top cap of the Rocket Perma-Post® are non-essential features intended to make the product look like a rocket, as its trade name implies. In these circumstances, the Court of Appeals may not repudiate the Special Verdict on non-functionality and substitute its own finding or judgment for that of the Jury. ***Inwood Laboratories***, 456 U.S. at 857-58.

II. THE FEDERAL COURTS APPLY DIFFERENT TESTS TO DECIDE FUNCTIONALITY IN TRADE DRESS CASES.

The range and variety of inconsistent and sometimes conflicting tests for functionality applied by the federal courts are quite remarkable, especially across the circuits:

> In general terms, a product feature is functional and cannot serve as a trademark if it is essential to the use or purpose of the article or if it affects the cost or quality of the article. ***Qualitex Co. vs. Jacobson Products Co.***, 514 U.S. at 165, quoting ***Inwood Laboratories, Inc. vs. Ives Laboratories, Inc.***, 456 U.S. 844, 850, n.10 (1982);

> The considerations for determining functionality are whether a claimant has obtained any utility patents (existing or expired); whether the claimant touts the utilitarian advantages of the design through advertising; whether feasible alternative designs are available; and whether the particular design results from a comparatively simple or cheap method of manufacturing the article. ***Morton-Norwich Products, Inc.***, 671 F.2d 1332 (C.C.P.A. 1982);

> In the Second Circuit, it must be proved that a defendant would be placed at a significant competitive disadvantage if not allowed to use the plaintiff's trade dress. ***Fun-Damental Too Ltd. vs. Gemmy Indust. Corp.***, 111 F. 3d 993, 1002 (2d Cir. 1997) and unreported cases. A functional feature is one that is essential to use or purpose or affects the cost or quality of the article, and a design feature

affecting the cost or quality of a product is one which permits the article to be manufactured at a lower cost. ***Stormy Clime, Ltd. vs. ProGroup, Inc.***, 809 F.2d 971, 977 (2d Cir. 1987);

As the Fifth Circuit explains it, a feature is functional if it is one that is costly to design around or do without, rather than one that is costly to have. ***Sunbeam Prods. vs. West Bend Co.***, 123 F.3d 246, 297 (5th Cir. 1997);

In the Seventh Circuit, the functionality doctrine has been stated as follows: "But if the feature is not ornamental or fanciful or whimsical or arbitrary, but is somehow intrinsic to the entire product consisting of this manufacturer's brand and his rivals' brands, trademark protection will be denied. The name of this principle is functionality . . ." ***W.T. Rogers Co. vs. Keen,*** 778 F.2d 334, 339 (7th Cir. 985);

In the Eight Circuit, a trade dress is non-functional if it is an arbitrary embellishment primarily adopted for purposes of identification and individuality. If the feature is an important ingredient in the commercial success of the product, the trade dress is functional. ***Children's Factory vs. Benee's Toys***, 160 F.3d 489, 494 (8th Cir. 1998);

In the Ninth Circuit, to determine whether a product feature is functional several factors must be considered: (1) whether the design yields a utilitarian advantage, (2) whether alternative designs are available, (3) whether

> advertising touts the utilitarian advantages of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture. ***Disc Golf***, 158 F.3d at 1006, and ***Leatherman***.

> The Eleventh Circuit states that a design is functional if it one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trade dress protection. ***Epic Medals Corp. vs. Condec, Inc.***, 99 F.3d 1034, 1039 (11th Cir. 1996)

It is virtually impossible to imagine that application of each of the foregoing formulations of the functionality doctrine would yield the same result in the same case.

As the Ninth Circuit Court's opinion in this case makes clear, the Circuit Court is holding to its position, notwithstanding the decisions of this Court in ***Inwood Laboratories*** and more recently in ***Trafflx***. The Ninth Circuit should abide by the law of the land, but that law should be clarified.

III. THE FEDERAL COURTS NEED A GENERAL, CONSISTENT AND COMPREHENSIVE TEST FOR FUNCTIONALITY UNDERSTANDABLE TO ALL.

Trade dress deals with appearances, typically of features or components which comprise that for which trade dress protection is sought. It is the "look" of the thing that matters, not the thing itself. There is a distinction to be drawn between alternative appearances and the performance of different useful purposes. Sometimes the issues are confused.

The functionality doctrine derives from Article I, Section 8, Clause 8 of the U.S. Constitution which empowers Congress "To promote the Process of Science and Useful Arts, by securing for a limited time to authors and inventors the exclusive Right to their respective Writings and Discoveries." As this Court explained in ***Bonito Boats, Inc. vs. Thundercraft Boats, Inc.***, 489 U.S. 141 (1989), this so-called "Patent Clause" was intended by the framers to effectuate a balance between the need to encourage invention and artistry, on one hand, and the need to avoid monopolies that stifle competition, on the other. Note that the monopolies precluded are not all monopolies, but only those that stifle competition. As will be made clear, the allowance of some small monopolies will not only encourage invention and artistry, but actually promote competition and the goals of competition, a point that has been too much overlooked in functionality analysis. As Thomas Jefferson put it, in addressing the Patent Clause, the law sets about the difficult business of "drawing a line between things which are worth to the public the embarrassment of [exclusivity] and those which are not." 13 **WRITINGS OF THOMAS JEFFERSON** (Memorial ed. 1904), p. 335. Mini monopolies which create new markets and promote competition and consumer choice are no embarrassment to the public, but are a benefit to it, as explained below.

Too often, in assessing functionality, federal courts loose sight of the relevant interests and policies to be considered and balanced, and then apply one or another fragment of dicta to arrive at results viscerally sought, but seldom well explained. That is the present situation, but it need not be so. Working from the policies and interests involved, a coherent, general functionality doctrine can be formulated which eliminates the inconsistent approaches adopted by the circuit courts and especially the willful Ninth Circuit Court of Appeals. However, in order to reach that goal, a key point that should be recognized is that the "mere possession of a function (utility) is not sufficient reason to deny protection." ***In re Deister Concentrator Co.***, 289 F.2d 496, 506 (C.C.P.A. 1961). As Judge Posner put it in ***W.T. Rogers Co. vs. Keene***, 778 F.2d at 338, ". . . Perhaps, indeed,

the rule should be that functional features can be protected where necessary to prevent confusion, unless competition is unduly hindered. See Note, **The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act**, 18 Colum. L. Rev. 77, 81-93 (1982)."

As heretical as this sounds, it is undeniably true, from a careful examination of many cases upholding the protectability of one or another form of trade dress. It is also true regardless of the often-referenced dictum that 'only non-functional trade dress can be protected.' See e.g., ***Le Sportsac, Inc. vs. Kmart Corp.***, 754 F.2d 71, 75 (2d Cir. 1985). Once the proposition is accepted that sometimes functional features or aspects may be a part of a protectable trade dress, the proper query can then be addressed of when and under what circumstances may that occur.

A. The Policies and Considerations Underlying the Functionality Doctrine in Trade Dress Cases.

As the quotation from ***Keene*** indicates, first principles and important considerations are often overlooked in applying the functionality doctrine. It is imperative for coherency and sound results to keep the interests and policies underlining the doctrine in mind as first principles. Most generally, those policies and interests turn on (1) the impact on competition in the relevant market, (2) the avoidance of customer confusion and unfair competition in that market; and, less significantly, as will be shown, (3) the impact on the patent process.

When addressing the impact on competition, there are two important considerations, the first typically, but differently addressed, and the other, too often ignored. The first is (a) the ease of entry by new competitors, if a trade dress with functional elements is protected, and (b) the more general impact on innovation and competition in the relevant market, if the trade dress is protected. A proper analysis

should consider both (a) and (b). Typically only (a) is addressed.

Parenthetically, it should be noted the law endeavors to balance interests and policies that sometimes conflict under the unfortunate rubric of the 'functionality doctrine.' Referring to the doctrine as such, biases the inquiry unduly as does having the burden of proof for non-functionality on the proponent claiming a protectable trade dress. Both induce the adversarial goal of showing some aspect or feature of the trade dress has some utility or function. The analysis often devolves from there, with the central policies and interests at issue falling by the wayside. The distinction between de facto functionality and de jur functionality, adopted by the now Federal Circuit in ***Morton-Norwich Products, Inc.***, 671, F.2d 1332 (C.C.P.A. 1982), only serves to bury the distinction in an ancient tongue. The key point to recognize here is that, depending on the circumstances, the appearance of useful and functional features may be protectable in a trade dress. The name of the doctrine applied could not be permitted to undermine its sensible application, in light of the policies involved.

B. The Ease of Entry and Competition by New Competitors.

Many courts understand this policy goal reasonably well. The usual formulation, or one of them, is that, for a trade dress to be functional, allowing exclusive use of it, protection of the trade dress must not "put competitors at a significant non-reputation-related disadvantage." ***Qualitex***, 514 U.S at 165, quoted with approval in ***Traffix***, 121 S.Ct. at 1261. This formulation recognizes that when there are few cost-effective competitive design alternatives available, the "exhaustion" problem sets in, and new competitors are restricted in number or subject to unfair competitive disadvantages.

The central notion here is that where there is a broad continuum of many possible alternative appearances for a feature or aspect of a claimed trade dress, having the same

usefulness or serving the same function without unreasonable competitive disadvantage, the functionality doctrine allows protection of the trade dress. This is true regardless of the patent laws. There is no competitive disadvantage to doing so. As the number of cost-effective design alternatives goes up, more different trade dresses may be protected. There is a tradeoff. Where there are fewer cost-effective alternatives for a feature, the more important the utility or functioning of that feature becomes. The analysis looks to intersecting ranges of usefulness, on one hand, and design alternatives, one the other, across different possible trade dresses. But that is not the only consideration in assessing the impact on competition of allowing trade dress protection.

C. The Promotion of Innovation and Competition in the Relevant Market.

Innovation and artistry are protectable interests under the so-called Patent Clause, but are too often neglected or overlooked in application of the derivative functionality doctrine, in the context of the Lanham Act. Innovation and competition in the broader market may in fact be promoted by the allowance of trade dress protection, even where mini-monopolies for particular designs are created, because of the resulting new and differentiated products and the competition between them. Product diversity and consumer choice are important goals of competition policy. Uniform and fungible products, reminiscent of goods in the former Soviet Union, can readily develop where the functionality doctrine is misused to deny trade dress protection and to permit mindless copycatting. Innovative competition can arise not only from new competitors, but as well from competitors already in the broader general market. Too often, the classical functionality analysis of trade dress ignores these considerations, but they can have a very substantial and beneficial impact on competition in the relevant market.

Daniel J. Gifford has explained the matter well in his article, **The Interplay of Product Definition, Design and Trade Dress**, 75 Minn. L. Rev. 769 (1991):

> Competition in product design furthers the social interest in maximizing consumer choice. This furtherance of consumer choice is compatible with consumer interests in price competition so long as no producer corners the market on attractive designs. So long as there is no limit on potentially attractive designs, no one producer will be able to exploit its own design for more than the premium commanded by the relative value of that design vis a vis all other designs in competition with it: it is the premium commanded by a differentiated product in competition with other products. Moreover, all producers are subject to price competition from rivals offering alternative designs and from those producers who choose to market undifferentiated ("generic") products . . .

Similarly, Judge Posner in ***W.T. Rogers Co. vs. Keene***, 778 F.2d 334 (7th Cir. 1985), comments favorably on such mini-monopolies, because they induce otherwise partially precluded competitors to Chestertonian innovation and an ensuing plethora of alternative trade dress designs. Where copy-catting and unfair competition are allowed to become the norm, there is little incentive but to go along, and the market is slighted. See, ***Le Sportsac, Inc. vs. Kmart Corp.***, 754 F.2d at 77 (2d Cir 1985) and ***Brunswick Corp. vs. Spinit Reel Co.***, 832 F.2d 513, 519 (10th Cir. 1985). See also W. Landis and R. Posner, **The Economics of Trademark Law**, 78 Trademark Reporter 267 (1988). The policy urged affords recognition to G.K. Chesterton's comment in **SIMPLICITY AND TOLSTOY**, p. 61 (1912) on the "Noble instinct for giving the right touch of beauty to common and necessary things." Product diversity and appearance are no small matters of

importance to the American consuming public, which is the principal engine of economic growth in this country.

It is not enough to glibly note there are relatively few cost-effective alternatives and then apply the functionality doctrine to preclude trade dress. Promotion of innovation and ingenuity is also a central goal of the misnamed Patent Clause and of the Lanham Act, and those goals are often not expressly considered in applying the functionality doctrine; neither is the broader concept of competition raised here.

D. The Avoidance of Confusion and Unfair Competition in the Market Place.

Courts should also, but seldom do, keep in mind that when they find functionality in some instances or a close case, they not only subvert the goals of diverse and innovative competition under the Patent Clause, but they also undermine the purposes of the Lanham Act. Confusion in the market place is thereby allowed and encouraged, often with attendant unfair and bad faith competition, and little gain in any other direction. This is particularly true where quasi-estoppel considerations such as advertising, with its attendant puffery, and patent claims, other than the core, protectable claim, are introduced into the analysis. These are irrelevancies that do not address the basic policy and legislative considerations involved. The same is true when one element in deciding functionality is made to be whether the product feature or aspect has any use or has a utilitarian purpose. The analysis goes astray. The result is to discourage artistry and innovation and forego expanded markets, enhanced competition, and greater product diversity and consumer choice, while inviting confusion and unfair competition in repudiation of the Patent Clause, the Lanham Act and federal competition policy.

Confusion of ordinarily prudent purchasers compromises the interests of buyers and sellers alike, even when it is benign. Sellers loose sales they should not, and buyers wind up with purchases different from what they sought. Where confusion is induced by unfair competition, in

the form of palming off or the like, unfair advantage is taken of the situation. While normally these considerations are thought to be a part of an analysis of the likelihood of confusion, they impact and bear upon the prospective state of competition in the market and therefore have a direct bearing on functionality analysis as well. The core issue in determining trade dress protection should be the nature of prospective competition in the relevant market, along the many dimensions suggested here.

In close or debatable situations involving functionality determinations, it is a mistake to undermine these well established policies, especially where a new market has been created, competition has flourished, and there is great diversity of products and consumer choice. It is bad public policy to no good or worthy end.

E. The Avoidance of Unreasonable Impact on the Patent Process.

This patent process consideration is largely a red herring in trade dress analysis. Cases in which a manufacturer is shown to have sought trade dress protection, after being denied a utility patent are virtually unheard of. The same is largely true for design patents, where the law is generally recognized to be unduly restrictive. The prospect of untoward impact on the patent process is not a real or practical concern, except in one class of trade dress cases.

The one area of abuse, already addressed by the courts, is where those holding expired patents attempt to end run the patent law and seek protection for the same product features under trade dress law. See ***Traffix Devices, Inc. vs. Marketing Displays, Inc.***, 532 U.S. 23 (2000) and ***Disc Golf Association, Inc. vs. Champion Discs, Inc.*** 158 F. 2d 1002 (9th Cir. 1998). This area of abuse has been well addressed by the courts, is obvious, and should not remain a practical problem.

The analysis suggested does not posit any threat to the patent process as a practical matter. To the extent that the functionality doctrine under the Patent Clause has been

imported into the law under the Lanham Act, there is no reason that the Act may not be thereby used to encourage innovation and artistry for competition in regard to trade dress as well. It is in the best interests of competition and the consuming public. There is no doctrine of precluded equivalents in trade dress law. Just the opposite is the case. Patent law is largely reserved for original, non-obvious and typically technical inventions, having little to do with appearances *per se*, the subject of trade dress. For that reason, and because of the common source of the functionality doctrine under both trade dress law and patent law, patent law should not be construed to preempt all innovation and artistry that can be visited on the appearances of products, packaging and places of business under trade dress law. We should not seek a dull world. The experience of the Soviet Union and eastern block countries has taught us that.

F. The Prospect at Hand.

From the forgoing considerations and analysis, a general and understandable statement of the functionality doctrine applicable in trade dress cases can be readily developed to aid the lower courts in applying that doctrine. At the same time, the errors in the Ninth Circuit Court's position can be corrected, eliminating the conflict of that Appellate Court with this Court and with the other circuit courts.

CONCLUSION

THEREFORE, Petitioners E. RAY CARTER and CARTER ELECTRIC CORPORATION request of this Court that it GRANT their Petition for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit.

RESPECTFULLY SUBMITTED,

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Attorneys for Petitioners

(Any footnotes trail the end of each document.)
NOT FOR PUBLICATION
No. 00-15735

D.C. No. CV-96-00833-SMM

UNTTED STATES COURT OF APPEALS
FOR THE NTNTH CIRCUIT

E. RAY CARTER; CARTER ELECTRIC CORPORATION,

Plaintiffs-Appellants,

V.

ENGINEERED PRODUCTS COMPANY,

Defendant-Appellee.

No. 00-15736 D.C. No. CV-96-00833-SMM

E. RAY CARTER; CARTER ELECTRIC CORPORATION,

Plaintiffs-Appellees,

V.

ENGINEERED PRODUCTS COMPANY, Defendant-Appellant.

MEMORANDUM*
Appeal from the United States District Court
for the District of Arizona
Stephen M. McNamee, District Judge, Presiding

Argued and Submitted September 11, 2001
San Francisco, California

Before: POLITZ,** and W. FLETCHER, and FISHER, Circuit Judges.

In the late 1980s, Carter Electric Corporation and E. Ray Carter (collectively, "Carter") designed and began to produce the Rocket Perma-Post ("Perma-Post"). The Perma-Post is a polyvinyl chloride plastic post that supports outdoor lighting fixtures. In 1989, Carter obtained a utility patent for the PermaPost. Meanwhile, Engineered Products Co. ("EPCO") started producing its own version of the Perma-Post. EPCO specifically avoids using the patented metal bushing of the Perma-Post, but copies most of the remaining elements with only minor variations. EPCO sells its lighting posts under its own name and for resale under the names of other producers. EPCO does not pay any licensing fees to Carter.

On April 4, 1996, Carter filed a complaint in federal district court alleging trade dress infringement under the Lanham Act. The district court denied EPCO's motion for summary judgment and Carter's requests for a jury trial, but on the eve of a bench trial, this court granted Carter's petition for mandamus and ordered that the trial proceed by jury. During the jury trial, the district court granted EPCO's motion for judgment as a matter of law on the issue of willful infringement. On May 21, 1999, the jury found EPCO liable for trade dress infringement of the Perma-Post, and determined actual damages in the amount of $207,797. After entry of judgment, EPCO brought a renewed motion for judgment as a matter of law, and Carter filed a motion to amend the judgment to include additional relief. The district court denied both motions, as well as Carter's motion to reconsider. Carter appeals, and EPCO cross-appeals.

We have carefully considered the record in this case and hold that the district court erred in denying EPCO's motion for judgment as a matter of law. We conclude that Carter failed to prove that the design of the Perma-Post was nonfunctional, and we therefore cannot sustain a finding that EPCO is liable for trade dress infringement. See Leatherman Tool Group, Inc. v. Cooper Indus., Inc., 199 F.3d 1009 (9th Cir. 1999); Disc Golf Ass'n, Inc. v. Champion Discs, Inc., 158 F.3d 1002, 1005 (9th Cir. 1998). Because of our holding on the trade dress issue, there is no need to reach the other issues in the case. Accordingly, the judgment of the district court is

REVERSED.

*This disposition is not appropriate for publication and may not be cited to or by the courts of this circuit except as may be provided by Ninth Circuit Rule 36-3.

**Honorable Henry A. Politz, Senior Circuit Judge for the Fifth Circuit, sitting by designation.

NOT FOR PUBLICATION
No. 00-15735

D.C. No. CV-96-00833-SMM

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUTT

E. RAY CARTER; CARTER ELECTRIC CORPORATION,

Plaintiffs-Appellants,

V.

ENGINEERED PRODUCTS COMPANY, Defendant-Appellee.

No. 00-15736 D.C. No. CV-96-00833-SMM

F. RAY CARTER; CARTER ELECTRIC CORPORATI ON,

Plaintiffs-Appeuees,

V.

ENGINEERED PRODUCTS COMPANY, Defendant-Appellant.

ORDER

Before: POLITZ,[1] W. FLETCHER, and FISHER, Circuit Judges.

The panel has voted to deny the petition for rehearing. Judges W. Fletcher and Fisher have voted to deny the petition for rehearing en banc; and Judge Politz so recommends.

The full court has been advised of the petition for rehearing en banc and no judge of the court has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35.

The petition for rehearing and the petition for rehearing en banc are DENIED.

Footnotes

[1]Honorable Henry A. Politz, Senior Circuit Judge for the Fifth Circuit, sitting by designation.

CIV 96-833 NIX SMN

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

E. RAY CARTER and CARTER ELECTRIC CORPORATION,
Plaintiff,

vs.

ENGINEERED PRODUCTS COMPANY,

Defendant.

JUDGMENT

X Jury Verdict. This action came before the Court for trial by jury. The issues have been tried and the jury has rendered its verdict.

Decision by Court. This action came for consideration before the Court. The issues have been considered and a decision has been rendered.

IT IS THEREFORE ORDERED AND ADJUDGED that the jury having determined that Plaintiffs were damaged by Engineering Products Company's use of its trade dress for its landscape posts, judgment is hereby entered for Plaintiffs in the amount of $207,797.00.

Date: May 25, 1999

cc: all counsel
Clerk/DCE

(By) Deputy Clerk
L. Dixon

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

E. RAY CARTER and CARTER ELECTRIC CORPORATION,

Plaintiff,

vs.

ENGINEERED PRODUCTS COMPANY,

Defendant.

No. CIV 96-833-PHX-SMM
VERDICT FORM

We the Jury in the above-captioned case, answer the questions submitted to us as follows:

Question 1: Have plaintiffs proven by a preponderance of the evidence that trade dress of the Rocket Perma-Post® product is non-functional? Yes

Question 2: Have plaintiffs proven beyond a preponderance of the evidence that the trade dress of the Rocket Perma-Post® is either inherently distinctive or has acquired secondary meaning? Yes

Question 3: Have plaintiffs proven by a preponderance of the evidence that EPCO's use of its trade dress for its landscape lightpost product created the likelihood of confusion between EPCO's landscape lightposts and the Rocket Perma-Post®? Yes

Answer questions 4 and 5 only if you have answered "Yes" to questions 1,2, and 3. If you have answered "No" to any of those questions, the foreperson should sign and date the form and inform the bailiff or clerk.

Laches Defense

Question 4: Has EPCO proven by a preponderance of the evidence that (a) plaintiff had knowledge of EPCO's use of the trade dress for its landscape lightpost, (b) that after acquiring that knowledge plaintiffs unreasonably and inexcusably delayed in taking action with respect to EPCO's use of that trade dress, and (c) that EPCO was unduly prejudiced or harmed by the delay? No

Acquiescence defense

Question 5: Has EPCO proven by a preponderance of the evidence that (a) plaintiff either expressly or impliedly provided assurances to EPCO that it would not sue EPCO or EPCO's use of its landscape lightpost trade dress, (b) plaintiffs delay between providing any such assurance and filing suit was unreasonable and inexcusable, and (c) plaintiffs' delay cause EPCO undue prejudice? No

If you answered either question 4 or 5 "Yes," the foreperson should sign and date the form and inform the bailiff or clerk. If you answered "No" to questions 4 and 5, then answer question 6.

Question 6: Were plaintiffs damaged by EPCO's use of its trade dress for its landscape lightposts? Yes

Question 7: What amount of money will reasonably and fairly compensate plaintiffs for any damage you find was caused to plaintiffs by EPCO's use of its trade dress? $207,797

DATED this 21 day of May, 1999.
Jury Foreperson

Supreme Court U.S.
FILED
MAR 20 2002
OFFICE OF THE CLERK

NO. 01 1195

In the

Supreme Court of the United States

E. RAY CARTER and
CARTER ELECTRIC CORPORATION,

Petitioners,

versus

ENGINEERED PRODUCTS COMPANY,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF IN OPPOSITION FOR RESPONDENT ENGINEERED PRODUCTS COMPANY

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14 pp

QUESTION PRESENTED:

Whether this Court should decline to consider Petitioners' request for certiorari because the Ninth Circuit's decision and application of the functionality test for purposes of trade dress protection is consistent with the settled functionality test set forth by this Court in Traffix, Qualitex, and Inwood.

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STATUTE

15 U.S.C. § 1125(a) 6

STATEMENT OF THE CASE

A. Introduction

It has long been the law that to prevail on a claim of product configuration trade dress infringement, a plaintiff must prove that the trade dress at issue is not functional. In 1989, E. Ray Carter and Carter Electric Corp. (Carter) obtained a utility patent for a landscape light post known as the Rocket Perma-Post®. As part of his patent application, Carter described the grounding mechanism, slanted post, stabilizing fins and threaded cap that make up the product and described the function that each element provides. Carter further touted the functionality of these elements in his advertising for the Rocket Perma-Post®. A slanted post, stabilizing fins and threaded cap are standard features and components in several brands of landscape light posts. Pet. Exh. H, I, J, K, L.[1]

Engineered Products Co. (EPCO) began distributing a competitive product in 1991, then manufactured its own landscape light post, marketing it under the EPCO name and stamping EPCO onto the product itself. The significant difference between EPCO's post and Carter's post is the grounding mechanism. Carter's post has a grounding mechanism permitting use of a two-wire fixture. EPCO's post requires use of the standard three-wire fixture.

Carter initiated multiple lawsuits against other landscape light post manufacturers, combining claims of patent infringement with claims of trade dress infringement. He extracted lucrative settlements and admissions of trade dress infringement. In 1991, Carter contacted EPCO regarding the EPCO landscape light post

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[1] Petitioner's exhibits G and N are not part of the record. The trial court specifically excluded Exhibit G from evidence. Resp. Exh. 11.

but conceded that he had no patent infringement claim against EPCO. Three years later, Carter threatened suit against EPCO for trade dress infringement. Carter failed to respond to a request for an explanation of which elements of the Rocket Perma-Post® were not functional. Instead, he initiated the lawsuit underlying this Petition for a Writ of Certiorari.

B. Trial Proceedings

Carter sued EPCO in U.S. District Court, District of Arizona, for trade dress infringement. Contrary to statements made under oath in his patent application, Carter claimed in the lawsuit that the slanted post, stabilizing finds and threaded cap were nonfunctional and therefore protected by trade dress. He sought damages and an injunction.

The jury returned a verdict for Carter, awarding Carter $207,797. The court denied EPCO's motion for judgment as a matter of law as to liability. The court also rejected Carter's requests for a permanent injunction against EPCO, EPCO's surrender of its inventory, interest on its damage award, treble damages, payment to Carter of EPCO's profits and attorneys fees. Carter's motion for reconsideration and clarification was denied.

Carter appealed to the Ninth Circuit Court of Appeals and EPCO cross-appealed. The Ninth Circuit reversed the judgment of the district court, finding that the district court erred in denying EPCO's motion for judgment as a matter of law. As a result of this holding, the Ninth Circuit did not reach the other issues appealed. Carter's motion for a rehearing en banc was denied. This Petition for a Writ of Certiorari followed.

Engineered Products Co. has no parent company or publicly held company owning 10% or more of the corporation's stock.

C. Corrections to Misstatements of Fact in the Petition for Certiorari:

Pursuant to Rule 15.2 of this Court's rules, the following facts correct misstatements in the Petition for Certiorari:

Carter claims that the slant cut of his light post is nonfunctional because it is not used to drive the post into the ground and the wiring used with the post is uniformly deeper than the slant cut. Petition, p. 4. In his utility patent for this light post, Carter stated that the slant was functional to "allow the standard to mate with pipe located at various depths underground" and to "conveniently provide for the conduits to extend into the cylinder 22 from different depths in the ground." Resp. Exh. 1, column 1, lines 52-53; column 3, lines 59-61. Carter further advertised the slanted bottom "to accept conduits of different depths." Resp. Exh. 2.

Carter claims that the stabilizing fins of his light post are nonfunctional because a post the length of Carter's product is self-supporting when buried, and many customers consistently discard and do not use the fins. Petition, p. 4. Again in his patent, Carter stated that the "[p]rincipal purposes of the stabilizer 50 [the assembled stabilizing fins] are to prevent rotation or leaning of the cylinder 22" and that the fins "essentially prevent the cylinder 22 from rotating or from moving sideways or laterally in the ground 2." Resp. Exh. 1, column 4, lines 17-18, 59-61. In addition, Carter states that the stabilizing fins are functional because they "extend radially outwardly from a standard to prevent the pipe from becoming loose when it is bumped, as by a lawnmower." Resp. Exh. 1, column 1, lines 60-62. Carter also advertised that the fins were included for "greater stability without concrete." Resp. Exh. 2.

Carter misstates the results of EPCO's survey regarding the slant cut and stabilizer fins. Carter claims that 1% of those

surveyed considered the slant cut important or significant and 6% believed the stabilizing fins would help keep the post from tipping. Petition, p. 4. Respondents were asked to name *the one* characteristic that they considered most important in deciding which post to buy. They were not asked whether the slant cut was important in general or the stabilizing fins would affect tipping. Resp. Exh. 3.

Carter claims that the ridges on the post's cap are "strictly ornamental" and not necessary for gripping. Petition, p. 5. The claim contradicts common sense, particularly in cold climates. As testimony at trial revealed, snow, ice and shrinking make caps difficult to remove; the function of the ridges is to facilitate an easier grip. Resp. Exh. 4. Carter recognized in his patent application that "there will be immediately obvious to those skilled in the art many modifications of structure, arrangement, proportions, the elements, materials, and components used in the practice of the invention, and otherwise, which are particularly adapted to specific environments and operative requirements without departing from those principles." Pet. Exh. A, Description.

Carter contends that other competitors manufactured and sold products with the same function and features but with different trade dress. Petition, p. 5. These competitors have neither the same features nor functionality. Specifically, the Octapost is an octagonal design made of aluminum and not corrosion resistant; the Kichler post uses a specially formed, more expensive plastic, less effective stabilizers and a smaller, weaker cap; SiteLight's aluminum product has a cap of different design, no slant cut to the post and no stabilizers; B-K Powerpost is an aluminum transformer in addition to serving as a landscape post; and Carter's Retro-Rocket post is installed above ground to cover old or damaged conduits. Resp. Exh. 5.

Carter states that EPCO's sales staff claimed that EPCO manufactured the same rocket post as Petitioners and that "[m]uch

palming off occurred." Petition, p. 5-6. The testimony at trial was hearsay testimony that a sales representative saw a landscape lightpost product and stated, "EPCO has these." Resp. Exh. 6. Carter made no showing that "these" referred to anything more than a general landscape light commodity product. The trial court admitted this testimony only to show state of mind, not to prove the truth of the statement, and this ruling has not been appealed.

Carter again raises the spurious argument that the EPCO product is not safe because it has a two-wire grounding mechanism. Petition, p. 6. This allegation is erroneous and irrelevant. The EPCO landscape light post is listed by Underwriter's Laboratory, the primary safety testing lab in the country. Resp. Exh. 7. Attached to every post are UL-approved instructions to use a three-wire fixture. Resp. Exh. 8. As one expert testified at trial, there is "absolutely nothing dangerous about" EPCO's product. Resp. Exh. 9. Carter did not present and still has not presented any evidence to the contrary. He did introduce a post after EPCO, however, that had the same type of grounding mechanism that he claimed was not safe. Resp. Exh. 10. More to the point of this Petition, however, safety is not a trade dress issue.

Carter identifies his three-wire grounding mechanism as the only patented feature of the the Rocket Perma-Post.® In his patent application, Carter incorporated details of the slant-cut post, stabilizing fins and cap in the abstract, drawings, background, summary, description and claims. Carter's attention to these features in his application equals or exceeds the attention given the grounding mechanism. Resp. Exh. 1. His claim that the patent covers only the grounding mechanism is incredible.

Carter contends that the Rocket Perma-Post® is not standard PVC and that the fins and cap are injection molded. Petition, p. 7. The post, however, is PVC pipe, as identified in Carter's patent application. Exhibit 1, Background. Moreover, the pipe is modeled

on standard PVC pipe and the cap is modeled on a standard plumbing cap.

REASON FOR DENYING THE PETITION

A petition for a Writ of Certiorari is a matter of judicial discretion and will be granted only for compelling reasons. Rule 10, Rules of the Supreme Court of the United States. Among the Court's discretionary considerations in determining whether to grant the petition are: 1) whether the court of appeals has decided an important federal question that has not been but should be settled by the Court; 2) has decided an important federal question in a manner that conflicts with relevant decisions of the Court; and 3) has decided a matter that conflicts with the decision of another U.S. court of appeals on the same important matter. Id. The Ninth Circuit's decision and application of the functionality test for purposes of trade dress protection is consistent with the settled functionality test set forth by this Court in Traffix, Qualitex, and Inwood. The Ninth Circuit's decision does not conflict with decisions of other circuits on this matter.

By its express language, the Lanham Act extends trade dress protection only to those features that are not functional. 15 U.S.C. § 1125(a). Therefore, a feature's functionality is a threshold issue in assessing trade dress protection. This Court has issued a series of decisions establishing a settled, consistent functionality test for purposes of trade dress protection. Traffix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23 (2001); Qualitex Co. v Jacobson Prods. Co., Inc., 514 U.S. 159 (1995); Inwood Labs., Inc. v. Ives Labs. Inc., 456 U.S. 844 (1982). This test recognizes that a feature is functional if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." Traffix, 532 U.S. at 32; Qualitex, 514 U.S. at 165; Inwood, 456 U.S. at 850, n. 10. It also includes those features which the "exclusive use of would put competitors at a significant non-reputation-related disadvantage." Qualitex, 514 U.S. at 165. The Court also has

recognized that disclosure of a feature in claims in a utility patent constitute strong evidence of functionality.

> A utility patent is strong evidence that the features therein claimed are functional. If trade dress protection is sought for those features the strong evidence of functionality based on the previous patent adds great weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection.

Traffix, 532 U.S. at 30-31.

The patent applicant's failure to assert that the representations are mistaken or inaccurate is further strong evidence of the functionality of the feature. Id. at 32.

The Ninth Circuit has recognized, adopted and applied this Court's functionality rule with consistency and clarity. Decisions have rested on whether the feature is essential to the use or purpose of the article, and Carter presents no evidence that the court in this case relied on anything else. The Ninth Circuit turns to the designer's own words to determine a feature's functionality, namely the designer's sworn oath in a utility patent and the utilitarian features the designer touts in selling the product. It also considers, as does this Court, the simplicity and cost of its manufacturing, and the availability of alternative designs. Disc Golf Ass'n, Inc. v. Champion Discs, Inc., 158 F.3d 1002 (9th Cir. 1998); Clamp Mfg Co., Inc. v. ENCO Mfg. Co., Inc., 870 F.2d 512 (9th Cir. 1989).

Carter claims that these elements constitute a "new" test. They do not. The Ninth Circuit adopted these elements 13 years ago in Clamp, but the elements were not an innovation of the Ninth Circuit. These elements -- a utility patent, advertising, alternative designs and simple or cheap methods of manufacturing -- are the very elements that the U.S. Court of Customs and Patent Appeals

has established to determine functionality based on utility of a product. In re Morton-Norwich Prods., Inc., 671 F.2d 1332, 1340-41 (C.C.P.A. 1982). The fundamental nature of these elements assesses whether a product's feature is essential to the use or purpose of the article or whether it affects the cost or quality of the article. Application of these factors furthers rather than repudiates the functionality test established by this Court.

Application of these factors to Carter's product establishes the functionality of the slant-cut pipe and the stabilizer fins. Carter states in his patent application that the slant cut receives electrical elements at different angular orientations in the ground and that the fins prevent the cylinder from rotating or moving sideways or laterally in the ground. Carter goes on to advertise the slant cut as a device "to accept conduits of different depths" and the fins to provide "greater stability without concrete." These are utilitarian purposes. Carter cannot argue that these elements are functionally advantageous to obtain patent protection and later claim that they are not functional to obtain trade dress protection.

Clinging to his argument, Carter contends that the Ninth Circuit is aware of this claimed conflict, evidenced by its discussion in Leatherman, recognizing that unfair competition law is not intended to encourage innovative designs by protecting them after creation. Leatherman Tool Group Inc. v. Cooper Indus., Inc., 199 F.3d 1009, 1012 (9th Cir. 1999). Despite Carter's claims to the contrary, Leatherman did not advocate making trade dress protection more difficult to obtain; the court merely recognized that Congress has never enacted a design protection law despite considering such bills annually since 1917. Leatherman reflected a distinction this Court has recognized among trade dress, trademark and patent laws. Traffix, 532 U.S. at 34 ("The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity."); Inwood Labs, 456 U.S. at 858

(recognizing that trade dress law prohibits a broader range of practices than trademark law).

Carter, citing to multiple case excerpts, contends that functionality tests in other circuits are inconsistent and sometimes conflict. While the selective excerpts Carter cites draw upon different language, they reflect the same test set forth by this Court, namely, whether a product's feature is essential to the use or purpose of the article or whether it affects the cost or quality of the article. The functionality tests of the circuits are consistent with each other and with the test set forth by this Court.

The functionality doctrine recognizes the fundamental right to compete by imitating a competitor's product, a right denied only temporarily by patent laws. Morton-Norwich, 671 F.2d at 1336. It is a long-established legislative and judicially recognized policy. Despite its well-settled place in trade dress law, Carter doesn't like the functionality doctrine, its application or the policy behind it. Carter argues that the Court should subordinate the functionality doctrine to protect innovation, namely, his Rocket Perma-Post.®

Congress clearly rejected the policies Carter promotes nearly six decades ago when it enacted the Lanham Act. The Act was intended to open the marketplace, encourage competition and promote aggressive sales to the public. Patent laws provide temporary protection to innovative entrepreneurs, but the Act intends for those innovations to become part of the public domain.

Carter proposes barricades in the path to the public domain. His proposed policy considerations contradict the very heart of the Lanham Act. His quest to limit competition in the marketplace and ignore the impact of the patent process on a trade dress claim would undo what the Lanham Act and this Court have done for more than half a century -- put competition first. Were Carter's claims to prevail, a manufacturer such as Carter with a time-limited utility patent could preemptively maintain a monopoly power in perpetuity

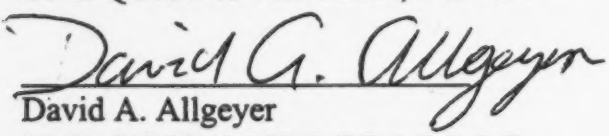
for its product by claiming trade dress protection. Such a policy may be good for Carter but not for the public.

CONCLUSION

Petitioners' prolixious argument does not meet the Rule 10 requirement that Petitioners present a compelling reason for this Court to review the Ninth Circuit's decision. Respondent respectfully requests the Court to deny the Petition for a Writ of Certiorari.

Respectfully submitted,

LINDQUIST & VENNUM, P.L.L.P.



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